Saturday Night

Canada's Magazine of Business and Contemporary Affairs

FEBRUARY 28TH 1959 20 CENTS

U.S. SUPREME COURT

versus

CANADIAN FREEDOM

by Maxwell Cohen

New Ideas Produce Radio Boom

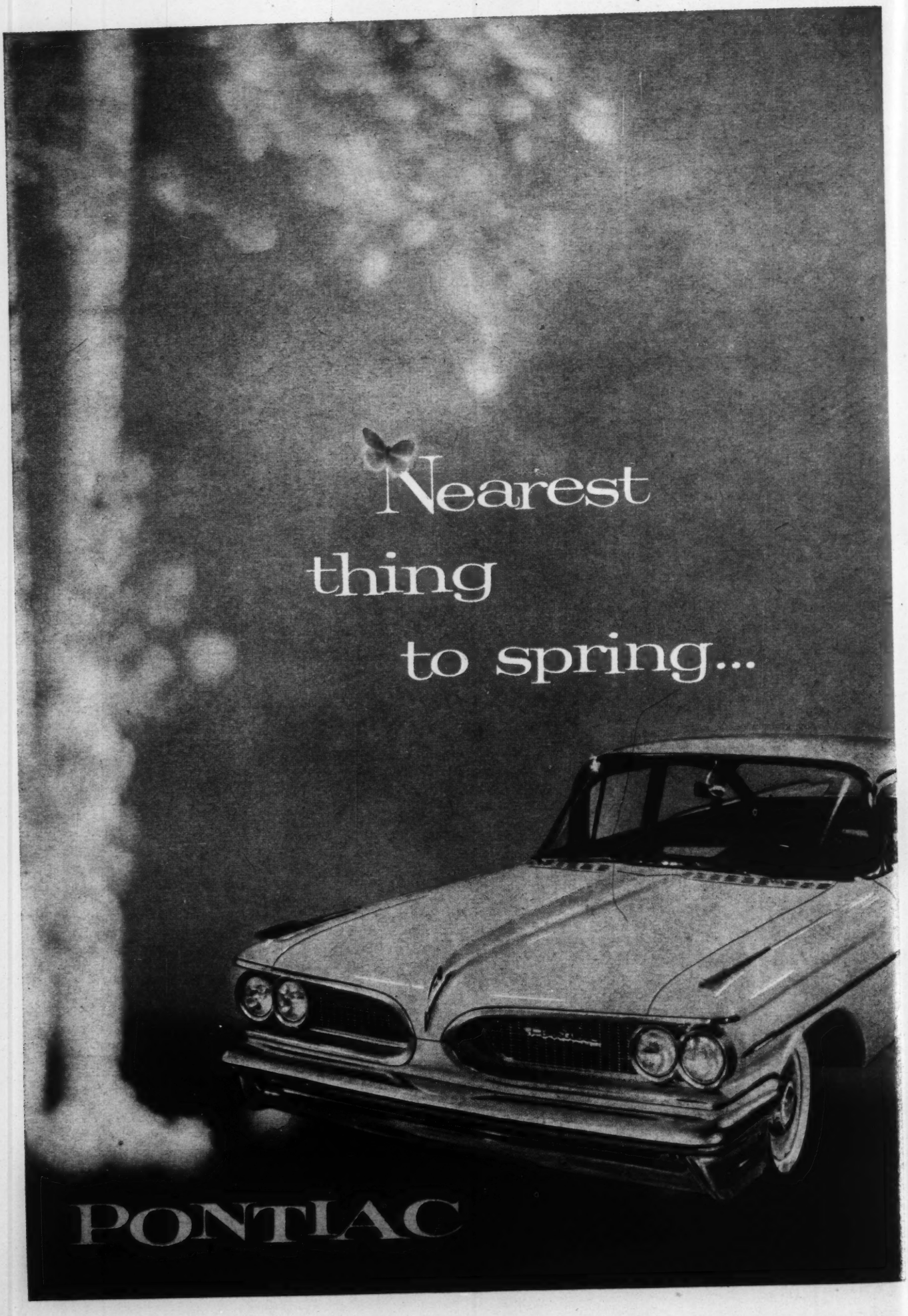
by Joe Scanlon

We Should Abandon U.S. Uranium Market

by Robert Jamieson

Robertson Davies Dismisses Irish Blarney

Let Professors Control the Universities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to spring...
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February 28, 1959

Saturday Night

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INSIDE STORY

THE PRESIDENTS of nearly all the Canadian chartered banks have just finished telling their annual meetings of the dangers of inflation. Most of them called on the government to do something about them. On Pages 22 to 26, **Kenneth Gauldie** suggests that this inflation was produced by the banks in the first place and that they could still prove the most effective instruments to check it.

If you prefer a vigorous northern vacation this winter to a somnolent summer one, Quebec has much to offer. Just what and where is outlined on Pages 20 and 21 by **Waldemar Cartier.**

The Hon. **E. Davie Fulton** has been speaking up manfully about the recent attempts under the U.S. anti-trust laws to invade Canada's sovereignty. The background of this most recent legal infringement of Canada's undoubted jurisdiction is the subject of a comprehensive article by **Maxwell Cohen** beginning on Page 9. Professor Cohen, who lectures in law at McGill University, is our contributing editor on foreign affairs and an acknowledged authority on Canadian-American legal relations.

Robert Jamieson knows the workings of the uranium industry intimately, and sees how insecure the future is unless drastic action is taken. His revolutionary ideas of what should be done to save an important Canadian export can be found on Page 14.

Should the control of our Canadian universities be vested in their faculties rather than a Board of Trustees? Professor **J. Percy Smith** of the University of Saskatchewan thinks they should (Page 18).

Radio has survived the fit of panic brought on a few years ago by the advent of TV. **Joe Scanlon** suggests that if you turn on your radio nowadays you might get a pleasant surprise. He tells why on Page 16.

Edwin Copps would also turn on his radio but mainly because he feels CBC-TV is so dull. In a scathing account of the way in which public money is being spent by those in power in Ottawa he flays not only the CBC, but also the Department of External Affairs and the Department of National Defence. His Point of View appears on Page 44.

Manager of the Royal Bank's Union Stock Yards Branch (St. Boniface, Man.) picks up pointers on high-grade beef

Banker Gets the "Right Steer"

This Royal Bank manager is learning about his customer's business at first hand. Such visits won't make him an expert judge of cattle, but they will give him a closer insight into the workings of the meat industry . . . provide a better background for a more informed banking service. This habit of seeking information in the field is typical of Royal Bank managers everywhere . . . one reason why the Royal stands so high at home and abroad and why it is Canada's largest bank.

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Letters

More Words on United

Finding you so furiously upbraided by your correspondents in your issue of January 19 for your exposure of the United College scandal, I write to assure you that you have a reader who heartily approves of tyranny being exposed, and of the public revulsion at the sight.

One of your correspondents accuses you of giving false information, and another says your report is "one-sided". The assertion that there is "another side" was used for months to paralyze criticism of the actions of the College administration. Yet, as against the undisputed, exhaustive, and thoroughly damning evidence presented in the CAUT report, no shred of evidence for "another side" has ever been produced—unless we are supposed to count misleading suggestions, like the recent one by Dr. Lockhart that the police believe the Crowe letter was not stolen from the mails, but lost by Dr. Packer; a suggestion categorically repudiated by the police. The only reasonable conclusion is that there is not, and never was, another side.

It is interesting to see how oppressed your pro-Lockhart correspondents are by the question, how Professor Crowe's letter came into the hands of Principal Lockhart, and return to it time after time. It is, indeed, embarrassing for them that the contradictory explanations offered for the letter's appearance have not been resolved. It must be kept in mind, nevertheless, that this is a secondary point. The central issue is not how the Principal got the letter, but the fact that he retained and photostated it, and the reprehensible use which he and the Board of Regents made of it.

Your readers deserve to know that, contrary to what we all had a right to expect when Professor Crowe was reinstated and Dr. Lockhart resigned, the Crowe case is far from being "closed". The Board of Regents appear determined not to let it be closed, and to repudiate the acknowledgement of past error and promise of future good behaviour implied by their reinstatement of Professor Crowe. What they now appear to intend, by failing to return the resignations of some, at least, of those staff members who resigned in protest over the firing of Professor Crowe, is to drive out only Professor Crowe but several other distinguished staff members out of United College; and so to accomplish indirectly a more sweeping interference with academic tenure than they failed to achieve directly.

Also in evidence is a campaign of public letter writing, to the effect that Dr. Lockhart should withdraw his resignation as Principal. That this campaign is inspired and encouraged in at least some degree by the Board of Regents is evidenced by the fact that, after many local clergymen had been induced to sign an appeal to Dr. Lockhart to reconsider his resignation, on the promise that their action would receive no publicity, their statement was rushed to the newspapers by a clergyman who is also one of the Regents.

These actions are disgusting and alarming in themselves. They are also, plainly, the acts of persons who care very little about the future reputation of United College, in comparison with the great objective of saving their faces, and are willing to sacrifice the College's chances on the altar of their own self-righteousness. It will take an aroused public to stop them.

WINNIPEG H. C. PENTLAND

It was Sam Slick who said that when you do a man an injury and find out later that you are wrong, have enough guts to apologize. You haven't. As one of my UBC prof's remarked, yours is the kind of a reply one gets from someone who is afraid of the dark. We're regusted!

VANCOUVER W. HARRY COLCLOUGH

Merit Ratings for Teachers

Ross Henderson's article, "Merit Ratings for Teachers", should certainly prove to be controversial. No doubt the standard of teaching in this country would be improved by a system of merit pay for teachers. The method of teacher evaluation, however, looms as the greatest threat to the success of such a scheme. An arrangement of checks and balances within this proposed system of evaluation might be achieved if the position of principal and of school inspector were to be made elective. Furthermore, like a chain, education in Canada is only as strong as its weakest link.

It is about time that members of the school board and school trustees were required to pass a comprehensive examination dealing with the philosophy of education, school finance, community planning and related topics. Any school district or community unable to provide adequate leadership in the field of local, public education should, of necessity, have to relinquish its prerogatives in this field and hand over the administration of its schools to a board or commission of professional educators.

It is imperative in a democracy that educational institutions, at all levels, provide enlightened, informed and adequate leadership regardless of personal social or political gain.

QUEBEC, QUE. GEORGE W. SMITH

Help Wanted

At the request of his widow and his son, I have gladly undertaken the task of writing the biography of the late John Anderson, Lord Waverley. I should be most grateful if any of your readers who are in possession of letters from him would allow me to read and copy them; the greatest care would be taken in the process.

I should also be greatly obliged if anyone with recollections or anecdotes of Lord Waverley would communicate with me.

GARSINGTON, ENG. J. W. WHEELER-BENNETT

The Dirty Deals

I gather from Edwin Copp's review of Boris Celovsky's book on Munich that no particular blame is to be attached to any political leader (or industrialist) in the West for having a hand in starting World War II. We are told that Beck of Poland acted irresponsibly and Hitler deserved a scolding for plotting with the Sudeten Germans. Certainly Chamberlain comes through with flying colours and as for Mackenzie King, the poor fellow was as butter in the hands of the crafty Hitler.

Andrew Rothstein, a veteran historical and political commentator, in a book recently published in London, covers the same field and claims the war was a gigantic swindle directed against the working people of the world. As though answering Mr. Celovsky's contention that the Russians were not interested in the fate of Czechoslovakia, Mr. Rothstein cites the ten times that Russia appealed for a common understanding with the West, and he backs this up by official correspondence recently released which proves that British policy, at the time, was opposed to such an understanding—that came later—too late to save the lives of millions of people.

Was Mackenzie King the natural product of a backwoods nation (a double barreled question)? I've read he was quite astute but not above playing politics. And as for Canadian backwardness I don't believe people here are different from others in respect to dirty deals which bring on war. But insurance against such an eventuality depends to no small extent on our

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SALES AND SERVICE ACROSS CANADA.

understanding of Munich and our rejection of the historical deductions presented by Mr. Celovsky.

TORONTO J. S. MACKAY

Unfinished Story

In the January 31st issue of SATURDAY NIGHT I note and applaud the return of the editorials to their old position at the front of the magazine, and also their extension to almost two pages. When they were pushed to the back page, it seemed you were making an unspoken apology for holding any opinions at all!

Having done this, can you now go a step farther and complete each article on the pages immediately following the starting page? The present practice is both annoying to your subscribers and spoils the "balance" of the magazine for a dubious eye-catching advantage that should be unnecessary in a magazine of the standing of SATURDAY NIGHT.

WINNIPEG D. N. RAINFORD

Editor's Note: We hope to strike an even better balance by having, as in this issue, some articles run from beginning to end on consecutive pages and others, too long for this, yet too important to cut, finish on later pages.

Mr. West and Rackets

Mr. West's defense of his former (rather nasty) article regarding the Senate's Rackets Committee, Mr. Kennedy and others, has added nothing to his prestige as a reliable reporter.

The public, which is greatly concerned, want to see an end put to this racketeering — both in labor and management — and it looks as though this Committee, headed by Senator McClellan and Mr. Kennedy were doing a thorough job in bringing this about.

Maybe we Canadians would show better manners if we ceased vilifying Uncle Sam's public men (Heaven knows they get enough of it these days) and allow them to handle their own affairs in their own way, particularly in a matter like this, which is none of our business.

BRIGHT'S GROVE, ONT. JOHN HAYNE

Why Coddle Germany?

Why are the NATO powers making so much fuss over Berlin and West Germany? The Allies won the war, but Germany won the peace. There is yet no peace treaty. Will there ever be one? NATO has protected Western Germany with some Germany money, but Germany is gradually rebuilding her war potential, e.g., subs, aircraft and army.

Canada is graciously training some of her pilots and Krupps are buying iron ore from us. Von Braun is keeping in practice with missiles in the U.S.A., as

possibly others from Germany are doing in Russia.

The present German Chancellor has held in check the war party, but when he is gone, within ten years Germany will declare war on the world again. We must remember 1870, 1914, 1939. Why pet and coddle nations which have committed such murders and atrocities?

The NATO countries should tell both Germany and Russia they are pulling out and let Germany and Russian settle their difference. What has NATO to gain by staying in Europe? I am fully aware of the Red Menace. Let Germany stand on her own feet and let us have no more brinkmanship.

PRINCE ALBERT G. J. WAITE

Swap

It was interesting to read that a priceless Byzantine ikon was bought from an "unsuspecting" Balkan farmer for a package of American cigarettes. Wonder what the saints represented on the holy artefact would have made of the deal!

MONTREAL THOS. SLEZAK

Trial and Error

As you point out editorially ("Of Surpluses and Things") stored government surpluses of butter, wheat, pork, etc., are of little advantage to anyone in the end. Unfortunately we are faced by economic practices that are likely to be even more widely damaging—government spending, deficit financing, creeping controls, hidden taxes leading to inflation, etc. etc.

There are more ways of killing an economy than by choking it with butter, and the present government seems eager to try them all.

WINDSOR T. L. SQUIRES

Official Cartoon

A. G. Mileikovsky's Soviet study of Canada, as described by Cyril Bryner, is an effective piece of caricature—distorted enough to be absurd and just true enough to be recognizable. The trouble is that Soviet readers will accept the distortions for truth, while Canadians will dismiss the occasional truth as distortion.

VANCOUVER K. B. ROGERS

Type Casting

Want to bet that when SATURDAY NIGHT, Serial 4444 comes off the presses "the role Canada should fulfill in the world" won't be that of buffer state between Great Britain and the U.S.A. but buffer state between the U.S.A. and the Soviet? With all her endowments and versatility this country seems fated to perpetual typecasting.

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Examinations at Havergal College — Saturday, March 21st

49% of HEADS

That is to say 49% of the heads of Saturday Night households . . . are in the Business and Professional Groups as defined by Gruneau Research.

6.7%

of them are major executives, a figure unmatched by any magazine in Canada.

Comment of the Day

Toll of Royal Travel

QUEEN ELIZABETH II is, as befits a monarch in a rapidly contracting world, a traveller. Her journeys since she has ascended the throne would make even the most indefatigable salesman blench. Towards the end of the year of her coronation, she set off on a tour of the Commonwealth which lasted from November 1953 to May 1954, in which time she visited not only such large countries as Australia and New Zealand, but such small ones as Tonga and Malta.

In 1955, she was in Norway, in 1956 in Nigeria and Sweden, and in 1957 in Portugal, France and Denmark before coming to Canada on the 12th of October. Last year she visited the Netherlands and this year she comes for six weeks to Canada before going on a projected tour of Ghana, Sierra Leone and Gambia.

Such tours are utterly exhausting. Can we really be loyal members of the Commonwealth if we force this kind of activity on her? It was the pressure of making personal appearances which hastened the death of her father. Let the advisors in the Palace and her Ministers in the Commonwealth learn the lesson before it is too late. She is a queen, not a curio: the very centre of constitution, not a travelling side-show.

To the Hustings!

POLITICS, even Canadian politics, are going to be interesting in the next six months or so. From British Columbia to Newfoundland there are reports of stirrings which will change many an existing situation and maybe topple some governments which, like the Federal Liberal one two years ago, think they are impregnable.

In British Columbia, Premier Bennett has brought down a budget which implies that the province will soon have retired its total provincial debt. Already the Opposition is crying foul, saying that this is merely skilfull, even crooked bookkeeping.

In Newfoundland, Premier Smallwood claims that he will outlaw the International Woodworkers of America union. Just how this will affect his chances at the polls, especially when the federal Liberal leader, Mr. Pearson, has attacked Mr. Smallwood's position, will be interesting.

In Ontario, Premier Frost has to cope with a tangle of peculation and self interest which has already resulted in the resignations of three Cabinet ministers. Piquancy has been added to the Opposition's position in Ontario by the fact that the Liberal leader, John Wintermeyer, also got in on the natural gas stocks which caused the political explosion.

In Quebec, M. Drapeau is obviously not going to join forces with M. Lesage to try to defeat M. Duplessis. But M. Duplessis has now made it impossible for any member of the Legislature to ask even a supplementary question without it first being put in writing. M. Duplessis is obviously feeling the critical darts which have been thrown at him in the past six months.

Even in Alberta, where Social Credit seems to be pretty well established, Premier Manning has indicated that he may go to the polls earlier than he need to test what some commentators are beginning to suggest is a failing political strength.

Toronto's Tintoretto

IN THE MIDDLE of this past month, the Art Gallery of Toronto unveiled an enormous and breathtaking picture by Tintoretto. Its price—moderate by comparison with what is being bid for old masters in sale rooms both in the United States and Europe—is $200,000. This the Art Gallery of Toronto is hoping to collect from private benefactors and from the viewers who pass in front of the painting in the next few weeks.

It will be a great triumph for Toronto if it gets such an important picture by the simple method of public contributions. If people want it, says the Gallery, they have got to pay for it—and it adds that the cost is $10 per square inch.

This is a refreshing attitude and may be, in the long run, a much more effective way of increasing our national cultural resources than just relying on public monies.

Readers will remember that Alan Jarvis, Curator of the National Gallery in Ottawa, has had constant trouble to get outstanding pictures and when he last tried to make a purchase, the Federal Government, in an on-again, off-again manner, refused him the funds.

Toronto may thus teach Ottawa a needed lesson—which is that if you want to get anything done, better to rely on the warm hearts of the public than to put your request at the cold feet of government.

Facts Cannot be Denied

THE FIRST REPORT of the Royal Commission on Energy, the so-called Borden Report, was made public October 25th. Its recommendations shocked the oil and natural gas industries, horrified the financial community and cost stock holders an estimated 150 million dollars (SN November 22).

Since then one of the most potent lobbies which Canada has ever seen has been organized to protest against the implementation of the report's recommendations. In the heat of their passion, these lobbyists have made some very extravagant statements of which one by the Investment Dealers Association of Canada is the most notable.

The IDA said in its brief to the Cabinet recently that the Borden recommendations would severely curtail Canada's ability to attract capital because:

"Over 100 million dollars of first mortgage bonds of Trans-Canada Pipe Lines Ltd. were placed with a group of the largest American investing institutions during the initial financing of the line.

"The undertaking of a senior minister in the then Canadian Government regarding gas export played a necessary part in the sale of these bonds, and there is no question that the purchasing institutions take a very serious view of its subsequent repudiation".

The reference is to the export of gas by Trans-Canada at Emerson. Manitoba. But in direct opposition to this statement is the sworn testimony of Trans-Canada's consultant, W. B. Tippy, appearing before the Commission on February 25th of last year:

"The whole study on which the financing was based, which Commonwealth Services made, was premised on the fact that the Emerson sale could not be counted in determining whether the project was financeable. We made reference to it only briefly in a sort of appended paragraph in a report as being a plus item which could improve the picture, but we had to prove to the financial people, I mean the bond purchasers, that the project would go without Emerson in order to do the initial financing."

There may be a real case for the Investment Dealers Association, but they certainly prejudice its success when they either pervert or ignore the sworn testimony of the people most directly involved. Facts cannot be denied, even by the IDA.

Union Democracy

ON THE WEST COAST the International Woodworkers of America Union has announced that it will press for a 20 per cent wage increase next year—this in the face of a general depression in the lumber industry.

On the east coast, the strike engineered by the IWA in Newfoundland used violence to the point where Premier Smallwood has claimed that he will never do business with the union again.

In Montreal, the strike of CBC producers has obviously been helped by foreign influences (allegedly the Teamsters), again using violence to draw public attention.

In Sudbury, miners were almost starving before Christmas because their union, the Mine Mill and Smelter Workers Union, declared a strike which clearly was unpopular with many of the union members.

In Hamilton, Stelco was struck by the United Steelworkers, but the workers got little or no financial advantage when terms were finally reached.

When the union can stop your pay cheque so effectively and when it can do things to blacken your reputation so easily in the popular press, one would think that members of a union would be pretty regular attenders at their local meetings.

But union members are no more interested in democratic procedure than a great many others are in this country of ours. In fact, the National Council of Canadian Labor's own journal, which recently conducted a survey to find out just what could be done to fill empty chairs at union meetings, came up with these as the six most effective methods:

(1) Raise union dues.
(2) Levy an assessment.
(3) Increase the salaries of officers.
(4) Accept or reject a new contract.
(5) Take a strike vote.
(6) Kick out the officials of the union.

No wonder that Hoffa and people like him can so use the unions for their own personal advantage. And no wonder extravagant demands are made—they are the only way in which the union executive can justify its often high-salaried existence.

The Busier Sex

CANADA'S WOMEN SENATORS, it seems, are a busy lot. Quite apart from the time they spend in the Senate Chamber, they devote many extra hours serving on a variety of standing committees.

Two of the women, Senator Cairine Wilson and Senator Muriel Fergusson, lend their talents to eight such standing committees. Senator Wilson's Committees include Public Health, Civil Service, Immigration, Buildings and Grounds, Banking and Commerce, Internal Economy, External Relations, and the Library of Parliament.

Senator Fergusson, a lawyer by profession, lists her committees as those on Divorce, Private Bills, Public Health, Trade Relations, Tourist Traffic, External Relations, the Parliamentary Restaurant, and the Library of Parliament.

Senator Nancy Hodges serves on four committees as does Senator Marianne Jodoin, and Senator Elsie Inman finds time to lend her support to three.

As the old saying has it, the parliamentary woman's work is never done.

Have Gun, Will Travel

TO THE COUNTRY'S entertainment critics who weekly produce lists of "60 most popular tunes", "15 top-rated television shows" (by actual survey!), and a baker's dozen of movies deemed worthy of our attention, the persons charged with the responsibility for compiling the RCMP's monthly "most-wanted" criminals list must seem to be unimaginative fellows indeed.

In their latest release from Ottawa, the Mounties name only three men whose records are bad enough to earn them election to Canada's list of most-wanted desperadoes.

Two explanations for the paucity of top-notch criminals come to mind. Either Canada's crooks are such minor-leaguers that the RCMP cannot interest themselves in their capture, or else the dire prophecies of the Liberal Opposition have become all too true: Unemployment has reached such a peak that even the country's crooks are unable to find work.

It's a matter for sober reflection.

Incidental Intelligence

IF THERE IS ANYBODY who can get away with thinking of education only one week in the year, then next week is especially designed for him. For next week is Education Week, and as a tribute to the energy of its organizers, we pass on some facts and figures which may give rise to genuinely helpful discussion of our education problems:

(1) In 1957, we spent 1.7 million dollars on defence, 1.9 million dollars on cars, 1.3 million dollars on tobacco and alcoholic beverages, and one million dollars on education.

(2) We will be short, in the next academic year, 45,000 qualified teachers in our elementary and secondary schools.

(3) At universities where future secondary school teachers are trained, it costs a university student $1200 a year. Of this $90 comes from scholarships, $390 from long suffering parents, and $790 must come from the student's own earnings in the summer.

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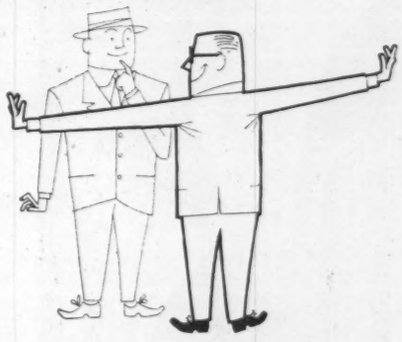

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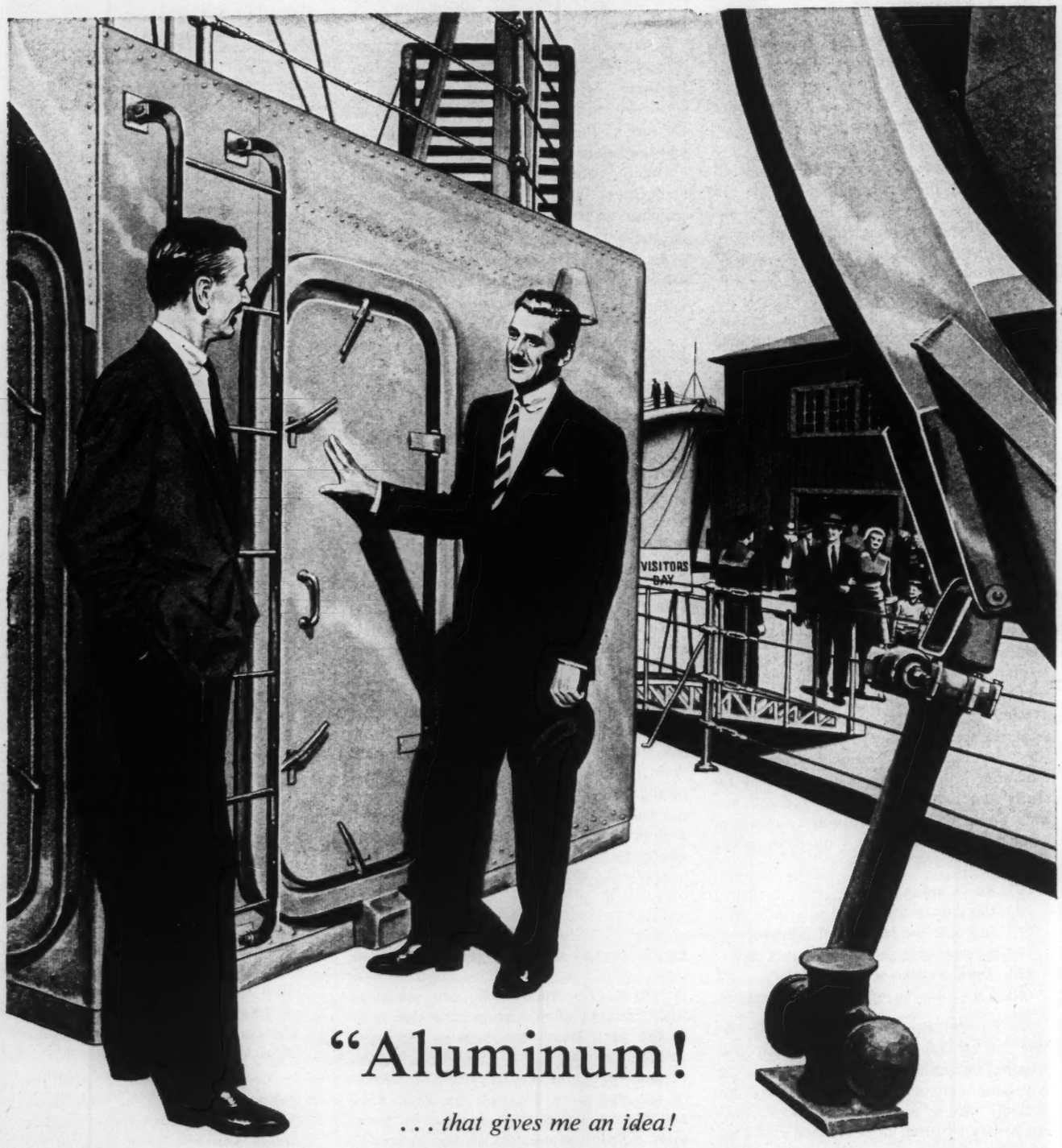

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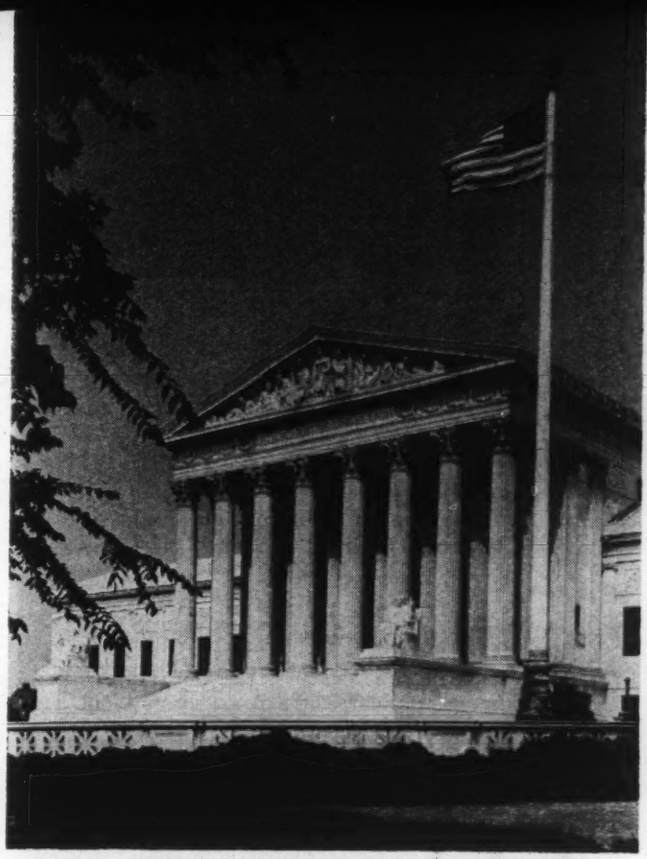

U.S. Supreme Court Building: Inside, a threat to Canada.

Saturday Night

U.S. Supreme Court versus Canadian Freedom

by Maxwell Cohen

THE CONDITION OF Canadian-United States relations, along with unemployment, inflation and defence policy, are the subjects which have become the classical preoccupation of contemporary Canadian debate. Among the matters arising out of our present Canadian-American reappraisals of common concern is one which has received striking newspaper headlines but very little analysis—the effect of United States anti-trust laws on Canadian business.

Curiously enough both the first and second Hays-Coffin Reports neglect to deal with this new aspect of United States control over Canadian subsidiaries. We are accustomed already to many widely discussed points of contention in this area, particularly the size of U.S. investment in Canadian industry. There are more than 5,000 subsidiaries of United States corporations doing business in Canada. These range from very small sales organizations to major enterprises in manufacturing or mining and of course are heavily concentrated in petroleum, pulp and paper, mining, chemical, electrical and rubber industries where U.S. control averages about 48% of the total investment. By 1957 United States direct investment in Canada was accounting for approximately 30% of all manufacturing plants as well as for about 20% of all employment in manufacturing.

The problems of the size and scale of U.S. investment in Canada, and of its strategic location, have tended to become important to Canadians on a number of obvious and particular grounds. These have been so fully discussed in recent months as not to require more than a bare restatement here. The troubling questions are such matters as the failure of United States-owned subsidiaries to provide equity ownership opportunities in Canada; the neglect to use Canadians for senior managerial positions; the concentration of major research activities in the United States; the failure to play a responsible role in such community matters as charitable donations and social responsibilities in general; the making of all basic investments and sales policy in the United States; the general treatment of Canada and Canadian subsidiaries as branches in another state of the United States itself; and finally, and very disturbing, the pressures and control of United States law and head office policy on the freedom of subsidiaries, partially or wholly-owned, to make sales to Communist China.

To these sharp irritations now must be added the attempt of the United States Department of Justice to claim that the U.S. anti-trust laws operate in Canada to subject American subsidiaries in Canada to U.S. rules despite the legality of the given business practice in issue under Canadian law. The problem has arisen specifically because of the action by the U.S. Department of Justice in preparing an anti-trust suit against certain United States radio and television manufacturers alleging that they and their subsidiaries in Canada are operating in violation of Section I of the Sherman Act by participating in a Canadian patent pool and in trade import policies, the effect of which is to restrict the importation of U.S. manufactured radio and television sets into Canada.

This is not the first time, however, that such efforts have been made by agencies of the United States Government to compel Canadian incorporated subsidiaries of United States firms to respond to an order of such agency or to be subject to the direct operation of United States law irrespective of Canadian law. It will be remembered that a Congressional Committee of some years ago attempted to compel the production to it of the records of certain pulp and paper companies in the course of that Committee's enquiry into the price and supply of newsprint in the United States. This particular effort failed for a variety of reasons, one of them a specific command of the Legislature of Ontario that no books or papers should be removed from the Province belonging to companies incorporated and doing business there.

The most important single instance however of the recent application of U.S. anti-trust law of the Sherman Act on Canadian business operations was the division of Canadian Industries Ltd. as a result of the 1951 consent decree in the United States compelling the Du Pont Company and Imperial Chemical Industries of the United Kingdom to split the jointly owned C.I.L. Today the Du Pont Company of Canada Ltd. and Canadian Industries Ltd. are separate entities and presumably the stock of the former is wholly or principally owned by Du Pont of the United States and that of the latter by

Above, DuPont plant at Kingston and, right, CIL plant at nearby Milhaven. In 1951 the then CIL Canadian . . .

I.C.I. Whether any patent sharing continues here is of course not known but it should be remembered that the United Kingdom courts refused to implement, in the United Kingdom, that part of the 1951 U.S. judgment that required I.C.I. to reassign certain U.S. patents to the Du Pont Company on the grounds that such an American decree could have no effect whatever on persons and property in the United Kingdom.

The present claim by the U.S. Department of Justice asserts that the effect of the participation by the American subsidiaries named in the charge in Canadian Radio Patents Ltd., and the policy of agreeing not to import United States manufactured sets as well as subjecting to actions for patent infringement under Canadian law those who do import such sets, are all violations of the Sherman Act, the principal American law governing monopolies and combinations in restraint of trade. For Canada the problem is to determine how to view and deal with such intrusion both as a matter of international law on the one hand and as an aspect of our economic-political relations with the United States on the other.

From the point of view of United States law there is something of a conflict of opinion in the American courts as to how far such extra-territorial activities of American nationals and companies owned by American nationals can be subjected to the operations of U.S. anti-trust laws. Before discussing a few of the American decisions that delineate this conflict of opinion, it is worth reflecting for a moment on the philosophy that underlies the U.S. anti-trust program with its overseas extensions.

Anti-trust policy is designed to regulate and preserve "competition" in a free society. It rests on the assumption that the concentration of economic power whether by single firms developing into monopolies or by groups of firms linked loosely by agreements is "bad" for both political and econ-

HOW COHEN SUMS UP THE ANTI-TRUST SITUATION

- **It is an established legal principle that a state has exclusive jurisdiction over its own territory and its own legal creatures.**
- **The United States thus cannot expect Canadian persons, whether human beings or corporations, to be subject to the extra-territorial operation of the Sherman Act.**
- **Yet the United States has often tried to extend its jurisdiction over the operations of American companies operating in a foreign country.**
- **A treaty should therefore be drawn up to provide that companies incorporated in Canada and operating legally in Canada shall not be subject, through their parent corporations, to charges of violation of the U.S. anti-trust laws.**

. . . company was split up by U.S. court decrees which the British legal authorities sternly refused to recognize.

omic reasons. Politically the word "bad" means that such restraints upon trade or monopolies generally, involve a concentration of economic power inconsistent with political and economic freedom. Economically such behaviour is "bad" because it leads to a reduction in the operation of the market as the determinant of price and to a consequent rigidity in business thinking, behavior, initiative with its eventual loss of flexibility and ultimate damage to efficiency and resource allocation. These ideas have moved Americans and Canadians, economists and politicians, very largely along the same lines for the past sixty or seventy years. Indeed both countries pioneered this Western experiment in subjecting business behavior to the control of criminal law with legislation that was introduced by both countries between 1889 and 1890.

A number of important divergencies have emerged over the years in the interpretation, application and development of Canadian and U.S. law respectively in this sphere. In the United States of course the monopoly problem was more dramatic and to some extent more serious than in Canada in the early period because the rise of the great "trusts", of which oil under the Rockefellers, steel under Gary and Carnegie and tobacco under Duke were all memorable examples. The Sherman Act was drafted to read much more severely than parallel legislation in Canada for it made illegal *every contract* in restraint of trade and *every attempt* to monopolize. To ameliorate the surface rigidity of the language of the law the American courts soon introduced concepts to make for some greater flexibility in administering these rules in order to distinguish between business collaboration or mergers that were clearly against public interest and those that were not.

A variety of tests emerged of which perhaps the most important, in the merger cases at least, was the "Rule of Reason". This drew a line between those efforts at corporate integration which were reasonable and did not wholly monopolize an industry or which "rationalized" it with resulting community benefits and those mergers which were clearly designed to increase the power of a given firm or firms for the most predatory of business purposes.

By contrast in Canada "reason" was written into our first laws by words of measurement such as "unduly" and "unreasonably". In the long run however, the tendency of legal interpretation in both countries has been to take much the same position. Agreements among businessmen to limit price, service or supply competition are within the prohibition. Mergers in the United States are almost *prima facie* unlawful unless there are good reasons to support them. In Canada the merger problem has yet to be really explored by the courts and it is very likely that some rule of reason will emerge that will prevent all mergers from being bad *per se*.

One area however where Canadian and American law clearly has diverged is the extent to which the United States courts have explored the problems of extra-territorial business operations having possible business effects in the United States directly or indirectly. There have been two main lines of development. The first may be said to be the efforts of Congress to provide for exemptions to United States law by permitting businessmen to collaborate for purposes of international exports where the interests of the United States were clearly served by organizing such trade. Congress passed the Webb Export Trade Act of 1918 which provided that it would not be illegal to form an association "entered into for the sole purpose of engaging in export trade . . . provided such association . . . is not in restraint of trade within the United States and is not in restraint of the export trade of any domestic competitor of such association." This Statute did a good deal to advance the competitive position of American exporters in world markets where British, German and French cartelisation was the rule rather than the exception.

On the other hand the Department of Justice and the American Courts have not been so clear about exempting extra-territorial activities if some domestic trade repercussions were evident. One of the earliest examinations of this problem was the celebrated judgment of Mr. Justice Holmes in the 1909 American Banana Company case. This was an action by the *American Banana Company vs. United Fruit Company* for conspiring with the Government of Costa Rica to make it impossible for the American Banana Company to operate there. The question was whether such behavior was in violation

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Senator Coffin, Representative Hays made report on U.S.-Canadian relations but failed to mention legal aspect.

London Letter:

Dud Roads and Inflamed Chests

by Beverley Nichols

IF YOU COME TO ENGLAND this summer and if—or rather when—you find yourself spending the greater part of your holiday sitting in a traffic block breathing exhaust fumes, you might as well know the name of the person you have to thank for your misery. He is a man called Harold Watkinson, in whose six feet of complacency and incompetence is housed the office of Transport Minister. In any other country the record of this disastrous person would have ensured the fall of the government; in Britain we grin and bear him.

The latest and most spectacular example of Mr. Watkinson's disservices to his country is provided by a little stretch of road called the Preston by-pass. Believe it or not, this is the only road in Britain on which it is possible to drive 100 miles an hour, for a distance of—hold your breath—eight whole miles! This contemptible snippet cost nearly £4,000,000 and was two and a half years in building. However, it was so far in advance of anything else we have in medieval Britain that when at last it was finished, it was opened by the Prime Minister with a great flourish of trumpets.

Here, we are told, was the beginning of a new era in modern transport. At last the arteries of our commerce would flow unimpeded etc. etc. Six weeks later the darned thing collapsed. Gaping cracks appeared, as on the slopes of a volcano, pools formed, parts of the foundations began to crumble. In all 3,000 square yards were affected. Up went the "Road Closed" notices, and back crawled the traffic to the twisting lanes.

Did Mr. Watkinson instantly resign? Not on your life. He did not even apologize. Nobody, he asserted, was to blame. Nobody had fallen down on the job. The only culprit was the weather. There had been a great deal of rain in the 2½ years which the road had taken to make. (So unusual in Britain!) There had been frost too . . . "and even the Alaska Highway is sometimes damaged by frost". Considering that Alaska had 53 degrees of frost compared with Preston's 27, this was not perhaps so surprising.

So we are back where we started, in the middle ages. But there is one thing that may shatter even such a monument of self satisfaction as the British Transport Minister, and that is the prevailing fever of the British people to spend their holidays abroad. The European holiday traffic is at an all time high. And after travelling the wide, sweeping highways of modern Europe, the home-coming millions, crawling down our ancient cart-tracks may, conceivably, revolt. May, but probably won't.

I WAS NOT THE ONLY PERSON in London who experienced a certain mordant satisfaction at the news that one of Her Majesty's Ministers—female—had been mistaken for a prostitute, by a prostitute. The lady in question was Miss Pat Hornsby-Smith, who is Parliamentary Under-Secretary to the Home Office. She is an attractive woman, with an infectious smile and flecks of red in her hair. One night—this is her own story—she was waiting for a taxi in the West End, and up popped a street lady behind her hissing "get to hell off my beat".

Smog again. About half an egg-cup full of lethal dust is absorbed by the lungs of every Londoner, every year.

This little episode, in the hands of a French dramatist, might make a charming comedy. It might be called "Madame sans Portfolio". A Respectable Young Lady, intent on affairs of State, suddenly confronted by the Disreputable Young Lady, intent on affairs of another description. Yes, it really has everything, and the lyrics could be quite poignant.

Miss Hornsby-Smith's interesting encounter with one of her fallen sisters was revealed during the debate on the Street Offences Bill which was finally passed in the House of Commons. This snivelling and contemptible measure, which pleases nobody but the prostitutes, and might have been specifically designed to encourage corruption in the police force, is the sole outcome of one of the noblest charters in British history—the Woolfenden Report.

I trust that all decent men will remember that report, even though the Tory Government has done its utmost to see that it is forgotten. It was the outcome of nearly three years investigation by some of the finest brains in the country. It was a passionately sincere endeavour to bring the facts and realities of sex in modern Britain into some sort of relation with the law. It made a number of definite recommendations—firstly with regard to homosexuality and secondly with regard to prostitution.

What happened? Firstly, the recommendations on homosexuality—in spite of the pleading of the Archbishops of Canterbury and York, who are not usually regarded as libertines—were chucked into the waste-paper-basket. "The country" we were told in unctious tones, "was not ready for them". In other words, they might lose votes. As for the prostitutes, all that has been done, apart from raising the fine for soliciting, is to ensure that "A street walker shall receive—if possible—two verbal warnings from a policeman before she is formally charged."

You may well rub your eyes. And you would rub them even more vigorously if you were to walk down a street like Curzon Street, which was a respectable neighbourhood but is now a red light district. Two verbal warnings! With the ladies of easy virtue hobnobbing with the police, passing the time of day with them, winking at them as they break off a conversation to dart across the road in search of another client!

The whole thing is an indecent farce, in which my sympathies are increasingly with the members of the police force. They are young, they are human, and they make £10 a week. They are brought into nightly proximity with hundreds of desirable young females who make £200 a week . . . tax free. And they are expected to issue "verbal warnings . . ." and thereby clean up the streets. To borrow a phrase from my seventeen year old niece, who is somewhat more alert to these matters than the Lord Chancellor . . . "The whole thing stinks."

"SMOG" is back again . . . 'smog' the killer. As I look out of the window at noon it is just possible to see the street lamps on the other side of the road, glowing dimly primrose yellow. The texture of "smog" is not as rich as the old "pea-souper" but it seems to be even more impenetrable when one is motoring. It also has a nasty habit of stopping and starting within the space of a few hundred yards; you may be driving briskly along a clear road and then, with no warning, run slap into an atmospheric brick wall. Physically it begins by affecting the back of the throat, and works quickly down to the lungs. We have just been informed that about half an egg-cup full of lethal dust is absorbed into the lungs of every Londoner every year. And then some people blame Noel Coward for spending the winter in Jamaica!

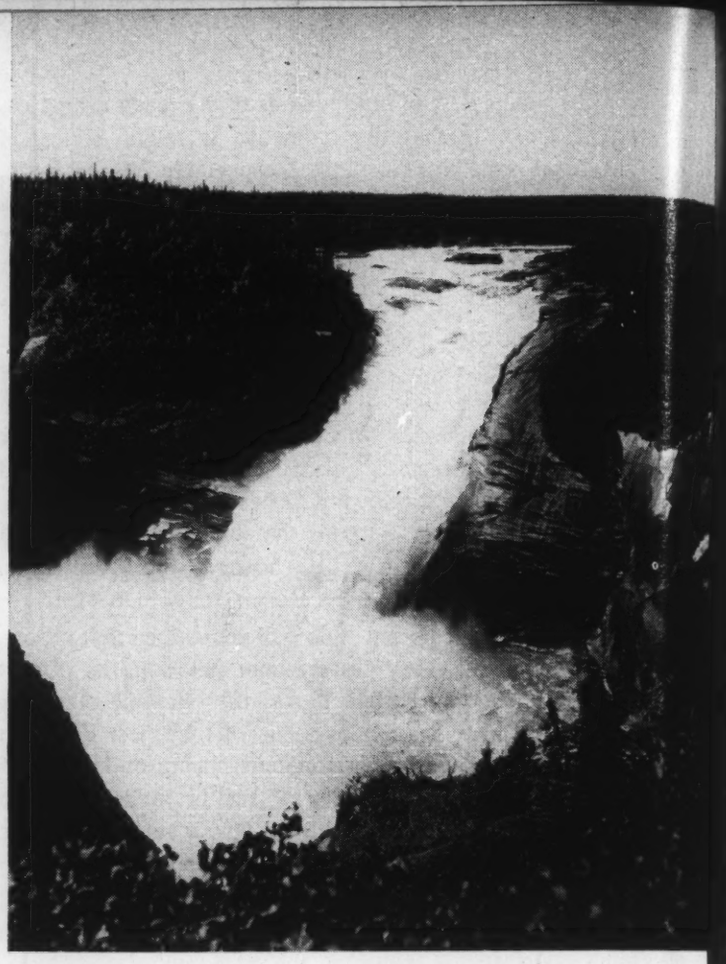
However, through the gloom and mirk a few side shows have managed to divert us. One of them was provided by an eighteen-year old Rock'n Roll singer called Terry Dene, who earns a reputed £350 a week for making sounds which, in a more gracious age, would have caused him to be clapped into the stocks on the village green. When Mr. Dene, on attaining the age of 18½, was called up for his military service, some genius at the War Office saw in this event a golden opportunity for stimulating recruiting. So the whole ballyhoo of publicity was put into action, with armies of journalists, reporters and television cameras, showing the young man's first steps in army life.

Alas—poor Mr. Dene, although he had been passed physically A.1. by his medical board—was obviously less robust in his nervous system, for within 24 hours he was in such a state of "emotional disturbance" that he was rushed to hospital for consultation with psychiatrists. And there, at the moment of writing, he remains, with his mum and dad angrily demanding interviews with his C.O. on the assumption that youths of such delicate fibre . . . particularly if they are earning £350 per week . . . should not be expected to do anything so vulgar as to slope arms in the service of their country.

"Get off my beat" said a London prostitute recently to Miss Pat Hornsby-Smith, one of Her Majesty's Ministers.

Canada Should Abandon U.S. Uranium Market

by Robert Jamieson



Three-mill power need for uranium diffusion plant could be met by Hamilton Falls hydro-electric project, now seen as major part of Labrador development.

CANADA'S URANIUM EXPORTS in 1959 will total $350 million. If the money goes round two more times—as the economists reckon it usually does—this industry will account by itself for about one billion of the $33 billion estimated gross national product this year: a sizeable three per cent for a product that did not even figure in the statistics a few years ago.

Everyone knows the weakness of the position: that mining may stop dead in 1963 unless the U.S. takes up its options. The big hope for markets lies in the atom-power projects across the world that will begin to grow from the 1960's onwards. In the race for these, Canada has two formidable competitors—South Africa selling natural uranium competitively and without the political strings that Canada attaches to sales, and the United States offering the special kind of enriched uranium that may be in demand. The United States is also offering a "use now—pay much later" deal for nuclear fuel, provided U.S. designs and components are used for the reactors.

To stay in the race, Canada must do two things: abandon the model treaty she requires buying nations to sign; and join with the United Kingdom to build a $500 million diffusion plant using the Hamilton Falls power project, whose initial 1,000,000 h.p. is available at the three-mill rate which might make a diffusion plant economic.

The Canadian Government's experts have the opportunity now to sound out an important United Kingdom official on such a project. William Strath, CB, board member of the U.K. Atomic Energy Authority, is visiting Chalk River and Ottawa for talks that are described as "routine". But Mr. Strath next month takes up an even more significant appointment—permanent under-secretary of state to the Ministry of Supply—and any idea taken back by him is certain to receive sympathetic consideration.

Canada is NOT on top of the world in the uranium business. If anyone doubts she will have to fight to sell her uranium, let them consider these facts disclosed recently: (1) new reserves discovered in the United States last year, when incidentally there was little incentive to prospect, more than equalled total consumption, and (2) the important London periodical *Mining Journal* estimated requirements in the free world outside the U.S. at 8,000 short tons of metal in 1965, 12,000 tons in 1970 and 25,000 tons in 1975: *either* Canada *or* South Africa could alone meet all these requirements through 1970.

The short-term fate of Canada's uranium mines depends entirely on whether the government can persuade the United States to buy more uranium after present contracts run out. There is a powerful lobby in the United States that will oppose any further foreign purchases, and the Atomic Energy Commission has undertaken to consult the joint committee of Congress before committing itself to any new purchases abroad.

On this will depend whether any mines are left operating in 1963. If the U.S. doesn't buy, they shut down (all that the United Kingdom would want could be supplied

for years from stocks that will have been built up by then).

Canadian policy as it affects the long haul, and the position of Canada when atomic-power is going full blast, perhaps in the late 60's or in the 70's, contains two errors. In an extreme assessment, they could prevent Canadian mines from benefiting from the power-market for a couple of decades.

These errors are: (1) insistence that buying nations sign a model treaty undertaking to use uranium for peaceful purposes only, and permitting Canadian inspectors in their plants, and (2) failure to prepare to offer enriched uranium to those nations which want to buy it.

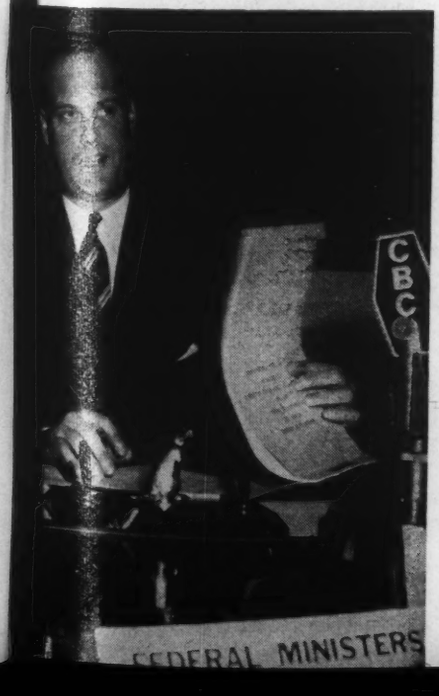
To take the first of these "errors": A few weeks after it came into office the Progressive Conservative government homologated a policy that had been in preparation under the guidance of the Liberal ministry—the model treaty. This included the "peaceful use only" and "inspection" clauses.

Some forty nations signed a similar agreement with the United States, no doubt impressed by the bulk of the technological "know-how" offered. The Euratom nations, however, balked at the inspection clause and the U.S. gave way and allowed inspection by the buyers' own arrangements.

It may be asked why there should be objection to signing the model treaty with Canada. The fact is that there is. The French were furious at the terms. They had wanted to buy Canadian uranium but they are as sensitive about their sovereignty as Canadians are in relation to the United States. And after all, why should France, second mother country of Canada and its ally in the North Atlantic Treaty Organization, be subjected to restrictions on buying which Canada does not impose on the United Kingdom?

West Germany signed, but has only bought token quantities. One highly placed German said to me even before the model treaty was published—"Of course we'll sign even if they ask inspection rights. We've had inspectors before and know how to deal with them".

Switzerland signed, but the amount of uranium it will want is pretty small. Now External Affairs Minister Smith announces Canada is open to negotiations with Japan and Euratom. This implies that some restrictions—if not all—are still to be imposed on prospective buyers.



R. H. Winters, former federal cabinet minister, as president of Rio Tinto heads biggest uranium firm.

The origin of the inspection clause is admitted by Robert Winters, who was C. D. Howe's alternate in the Liberal Cabinet, to have been a "gentleman's agreement" among the three partners in the Combined Development Agency—Britain, the U.S. and Canada. Other information, however, indicates that it was entirely a U.S. concept and that the U.K. merely went along with it. Winters—and no doubt other Canadian ministers—honestly saw it as a moral issue: that it is wrong to place material which could be so dangerous to humanity in the hands of anyone without precautions to ensure it was used for peaceful purposes only.

It is doubtful that the U.S. saw it this way. The evidence suggests that what they thought was possible, and what they sought in their own national interests, was a stranglehold control on all atomic energy development and supply sources in the western world. To the extent that this hypothesis is true, the Canadian ministers were taken in.

But in any case such control is impossible. There are sources of uranium and other fissile material in many parts of the world. They differ only in their cost of development. And, as France showed when she developed her own high-cost resources, some nations will pay any price to avoid what they regard as national humiliation.

What has finally made nonsense of the Canadian

Development of Hamilton Falls power project is under way. Map shows development area, roads and rail line.

stand is the sale by South Africa—its principal uranium competitor of the future—of a quantity of uranium without any restriction as to end use. This was a relatively small quantity sold to Japan, but it is reported from Johannesburg that the sale is expected to lead to a supply of some hundreds of tons a year.

This news has been greeted by refusal to believe it. "It's not confirmed" said one prominent individual connected with the former administration. The report was carried by Reuters news agency on October 29th, quoting the Transvalia company of Pretoria which negotiated the sale, and has been denied by none of the parties since.

The uranium producers' brief submitted to the Canadian Cabinet last month skirts this issue. Rio Tinto, with both C. D. Howe and Robert Winters on its board, is the largest producer, and it is certainly in an awkward position to complain. The brief asks merely that *more* bilateral agreements be negotiated, or "other international machinery" be provided which would enable Canada to

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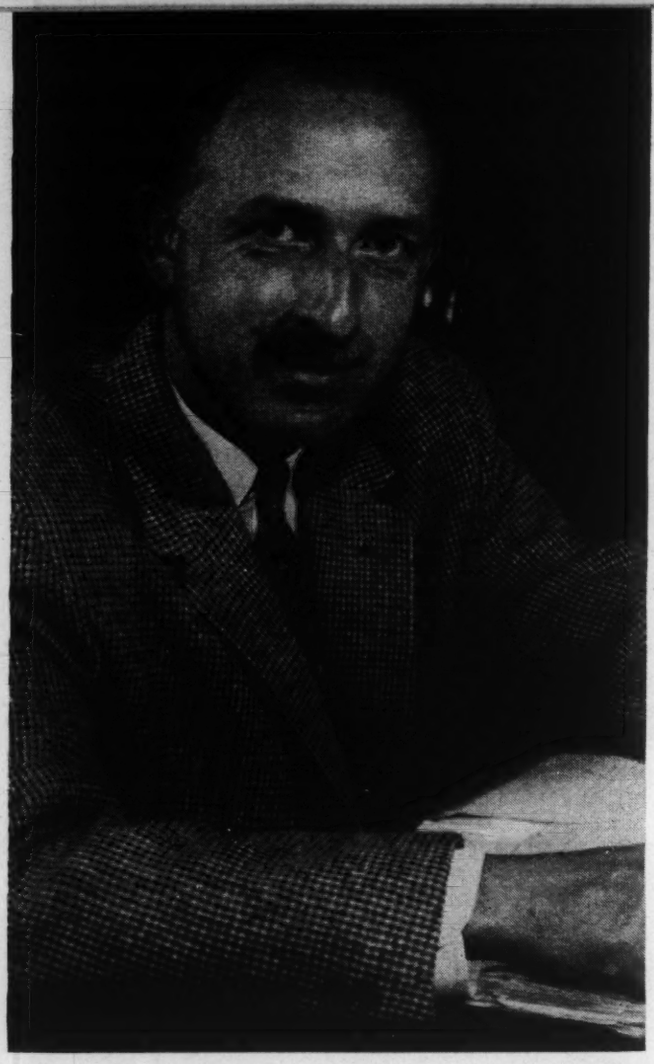


New Ideas Produce Radio Boom

by Joe Scanlon

Eugene Hallman revamped CBC's radio network to bring a fresh approach and has won new audience. Next move, to reduce cost, may be sales of programs to U.S. stations since the quality is much higher.

THE PAST 18 MONTHS have seen a major revolution in Canadian radio.

When television came to Canada, a good many Canadians just dumped their radios into the basement. CBC acted much the same way. Top personnel jumped at new opportunities in television. Budgets allowed vast sums for television, far less for radio. But today that picture is changing.

For even since television came to Canada, radios have still outsold TV sets. A year ago, Canadians purchased 722,000 radios—and only 457,000 TV sets. CBC audience research figures indicate eight out of 10 Canadians turn on a radio every day.

Although television has pushed radio out of the living room into the car or the kitchen, the den or the garage, radio still has a lot of advantages over television.

For one thing radio has immediacy. In one U.S. survey persons were asked: "If you heard there was a war, what would you do to find out the truth?" More than one-half replied: "I'd turn on my radio."

Things like Grey Cup football, Stanley Cup playoffs and the Durelle-Moore fight are now covered on TV; but when Canada plays Russia in world hockey action, Canadians dig out their radios to hear Foster Hewitt.

CBC radio coverage of the Springhill, N.S. mine disaster was an impressive tribute to radio's ability to bring drama to the listener.

Radio can also move very quickly. Television cameras are bulky. TV cables are almost ponderous. Even mobile units are ugly complicated affairs. On-the-spot radio can be as close as the nearest telephone. Broadcasts can flow from planes in mid-air or ships in mid-ocean. The sound of Sputnik I came to most Canadians via radio. There was little television could add.

Last spring's federal election coverage was a CBC masterpiece. In a few short hours, listeners heard: Hon. Donald Fleming in Toronto; Dr. Charlotte Whitton—still in the lead—predict her own defeat in Ottawa; M. J. Coldwell in Saskatchewan and Solon Low in Alberta as they watched their parties collapse; Hon. Lester Pearson concede defeat; Prime Minister Diefenbaker accept victory; and Douglas Jung—first Chinese-Canadian M.P.—accept the cheers of Vancouver's Chinatown. Television was left far behind.

But television has had its effect on radio none the less. Veteran CBC producer Harry Boyle admitted quite frankly; "radio will never again have the vast audiences we had before television." He added: "radio however is here to stay."

To make sure it *is* here to stay, the CBC has appointed Eugene Hallman from CBC television to revamp the CBC radio networks.

Mr. Hallman—a CBC veteran at 39—has wasted no time in making his impact felt on radio.

Veteran radio producer Harry Boyle has introduced two successful new programs, "Project 59" and "Assignment".

He's shuffled morning program schedules substituting "preview", a lively news and views show for the staid old morning format. Some CBC stations now come on the air one hour earlier.

Double-exposures—repeat programs—have become a CBC standard. "I didn't want to use the word 'repeat'," said Mr. Hallman; "It didn't sound too good." A camera bug, he quickly thought up the words "double-exposure".

Re-running evening shows the next morning, the CBC saves money—and surprisingly enough draws listeners. CBC's "University of the Air"—a series of philosophy lectures—drew only 39 letters from a 10.30 p.m. spot. More than 800 eager housewives wrote in after the morning repeat broadcast.

"I made the move to save money," admitted Mr. Hallman. "Now I wouldn't change it."

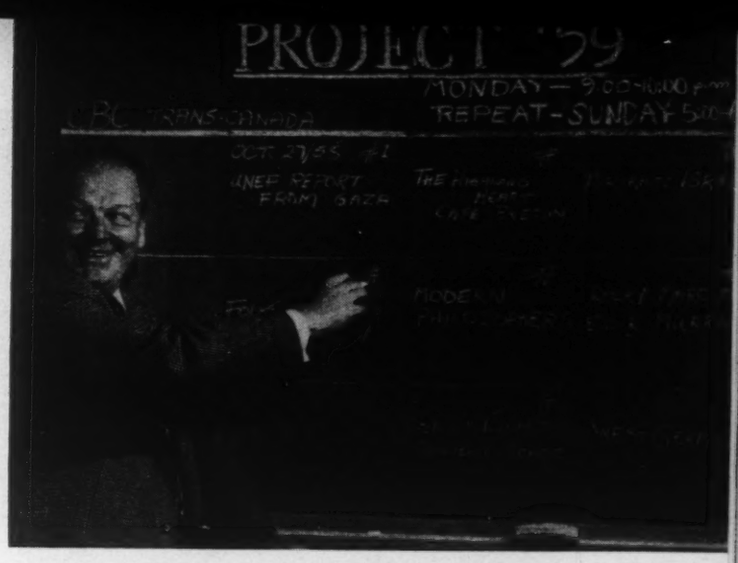
Taking advantage of radio's flexibility, Mr. Hallman has approved an adjustable schedule. During sessions of the United Nations, the CBC shifts to New York with as little as one hour's notice. Using the new Atlantic cable, the CBC can book commentary from London again with just one hour's notice. "News Round-Up" now is a lot more up-to-the-minute than it once was.

CBC has reached out for new material. New Year's Eve programming started with a live broadcast from Glasgow. The "Goon Show" and "The Archers"—two popular BBC programs—are now piped regularly into Canada.

Television programs such as "Fighting Words" are now repeated on radio. Since the programs are based on the spoken word, they lose little in the transition.

To answer the challenge of smaller evening audiences, CBC has provided a more selective programming schedule. University lectures, serious discussions, classical music, jazz and experiments in stereophonic sound draw persons with special interests from their TV sets.

Two refreshing new programs have also been added



to the network schedule. Both are the brain-childs of Harry Boyle—best known for his most controversial production "CBC Wednesday Night."

The first of Mr. Boyle's new shows was "Assignment". With Bill McNeil and Maria Barrett linking short snappy interviews on a wide variety of subjects, "Assignment" has become a news magazine on the air. Each week over 1,500,000 Canadians tune in and listen.

To give the show experienced performers, Mr. Boyle signed Gordon Sinclair, who does the weather, James Bannerman, Peter Whittall, humorist Eric Nicol and Dr. Leslie Bell as regular contributors. The variety and freshness is supplied by a horde of freelance contributors from Canada, the United States and overseas. "Assignment" staffers and reporters have interviewed Hon. Lester B. Pearson, Robert Service, Ed Murrow, William Zeckendorf, Glenn Gould, E. J. Pratt and Sir Edmund Hillary.

Full length profiles are done five minutes at a time to keep them short and snappy and hold up listener interest.

Dull spots are eliminated by tape editors and the

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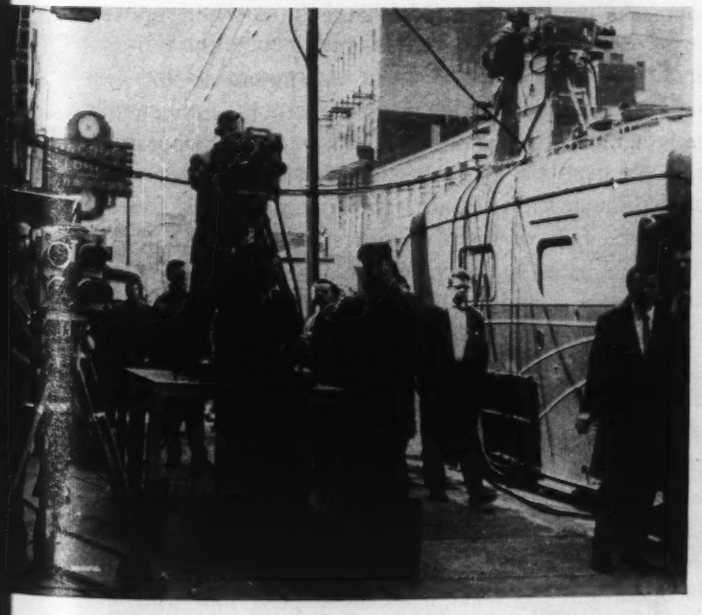
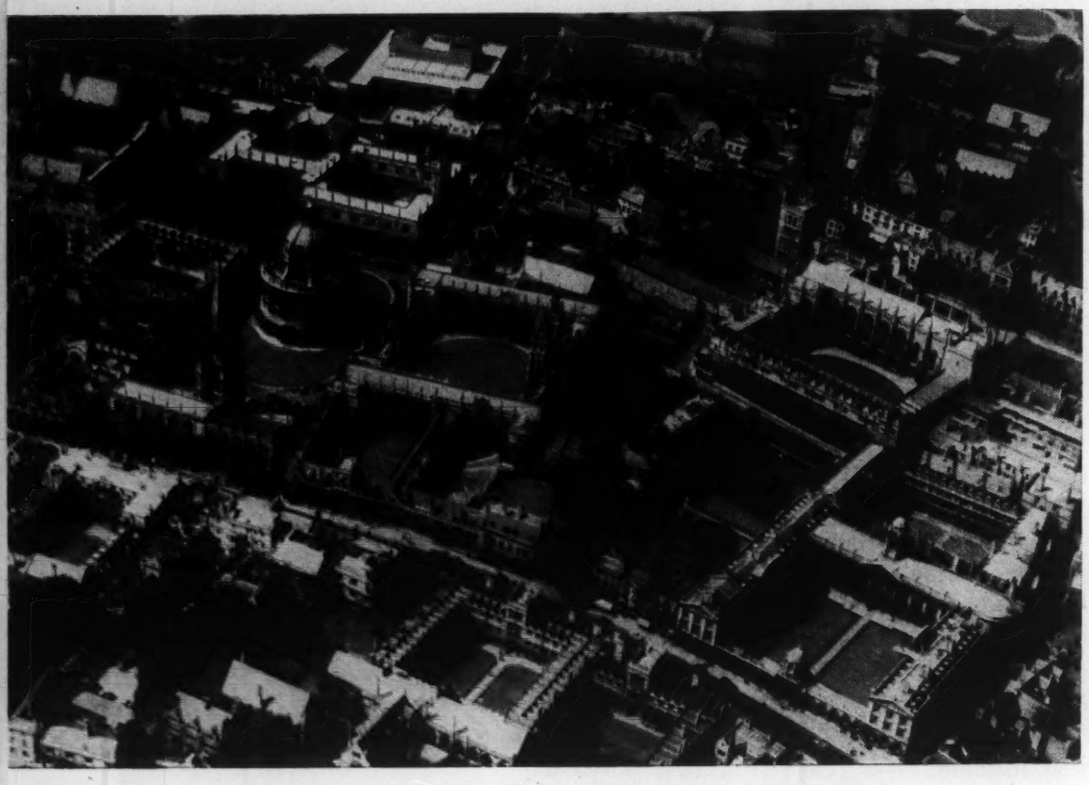


Television news coverage is limited by bulky cameras and ponderous cables. Even mobile units are complicated.

On the other hand radio can go anywhere, even to top of Bank of Commerce building in Toronto, for interview.



Self-governing Universities, such as Oxford, (shown here) and Cambridge, have shown the value over the long run.

Let Professors Control the Universities

by J. Percy Smith

WE ARE FOND OF SAYING that education is everbody's business, Yet it seems to me to contain a fallacy, and a very serious one, which, though it is at the heart of the serious affair at United College, Winnipeg [SN. Nov. 22nd 1958], is apt to be completely overlooked. The fact is that education, though it is certainly everybody's concern, is not a business at all. Our failure to recognize this plain fact has led us to commit some serious blunders; and I propose to comment on the nature of them in so far as "higher" education is concerned.

In ten years as a university teacher, which have included a two-year term as secretary of the Canadian Association of University Teachers, I have had countless discussions with other professors from all parts of Canada on the subject of university government; and it seems to me that the debate needs to be made a public one.

It goes without saying that the nature of universities has changed very greatly in our time, as they have attempted to adapt themselves to a changing world. But surely they do and must retain their prime civilizing function: the disinterested pursuit of knowledge, the activities that we call teaching and research being complementary aspects of that pursuit. This function is what I have called it—a civilizing one. It is not a money-making one or an ecclesiastical one or a narrowly political one.

The question arises, how is society to ensure that the universities answer the needs of the community in observing this function? In Canada—throughout North America, in fact—we have so far struck with shocking uniformity on one answer. We simply place the control of the universities' affairs in the hands of governing bodies which—though they are doubtless intended to represent the community at large—are made up very largely of two groups: business men (including farmers) and lawyers. The most recent appointees to the University of Toronto's Board of Governors, for example, included five who are directors of numerous corporations, and two members of the legal profession. The University of Saskatchewan's Board of Governors has fourteen members, four of them members *ex officio*. Of the ten others, as listed in the current calendar, four are lawyers and one is a judge. The Chairman of the Board of Regents of United College is a retired banker who—like many other members of such boards—has never been either a student or a teacher in a university.

One is impelled to ask some questions: can a governing body which is (as most university boards are) without a woman member, or a teacher, or a representative of labor, be considered to represent the community at large? Are the qualities that make for success in the world of business and the legal profession those that are likely to make for success also in directing university affairs? Are these people likely to have thought much about

higher education *per se*? What is likely to be the effect of government by a group so constituted on a university?

The first three of these questions are—for the moment, at least—rhetorical. The last, however, is in part answerable in terms of Canadian experience.

In the first place, it is natural and almost inevitable that a group of men accustomed to thinking in terms of corporations will bring to their thinking about university affairs, perhaps without realizing it, the preconceptions of the business world. A university will be for them a kind of corporation, and the impulse will be to see that it is run along "sound business lines". Moreover, in the absence of any public discussion of the nature and functions of a university, there will almost certainly exist a tendency to make concessions to the interests of special groups within the community.

Yet the plain fact is that to run a university along the lines that make for efficiency in a corporation is just the way to make it *inefficient*, to prevent it from achieving its prime function, and in the long run perhaps even to destroy it.

Any faculty member of a Canadian university who has his eyes open (and they are not the sleepy recluses that they may sometimes appear) could confirm this comment again and again. A scientist who is known for his skill in a branch of biological research was recently offered a post at a university in Ontario. When he investigated the offer, he found that he would be expected to devote a considerable part of his time to instructing Ontario farmers in the improvement of compost heaps.

One of the useful aspects of the United College affair was that it brought to public view the method of "rating" professors at that institution, and the disposition on the part of some Regents to regard the faculty members as hired hands. The same kind of thinking may lead to a university's having to limp along for almost fifty years, the faculty and students making the most heroic attempts to bring distinction to it, without a library building. It might even strike an impartial observer as strange that we should have in many universities schools for prospective business managers, but none for labor organizers.

The most obvious effect has had to do with faculty salaries. A university is only as good as its professors; and while people who enter university teaching do not expect to make fortunes, they are not blind to distinctions between income brackets, or entirely insulated against financial pressures. On the other hand, it is a sound business principle not to pay an employee more than you have to to get the required work done. It was the application of this principle, especially during World War II and the years immediately following, that led to the situation described by the Gordon Commission:

"Living standards of university teachers, especially of those in the higher ranks, have not increased with the general prosperity of the country as a whole. In fact, they have declined, and declined substantially, in relative terms . . . (The) salaries do not bear comparison with the scales of remuneration which able men can command in business or in the professions or even with the earnings of some skilled workmen."

It would be the greatest foolishness to deny that the difficulties of recruiting staff in the face of rapidly mounting enrolments, and the outcry that we hear from time to time about falling standards, reflect the conditions described here.

It is true that there has been a great improvement in university salaries in the past five years. But it was not initiated by the governing bodies of the institutions. On the contrary, it came about because the professors, having realized what was happening to themselves *and to the universities*, began organizing. And through local associations and a national association they stated again and again the case for reasonable salaries. Even with the case made repeatedly and convincingly, many members of governing bodies still felt it to be their function to oppose salary increases at every point, and to slow down improvement wherever possible. One unhappy consequence is that to many university teachers the governing boards

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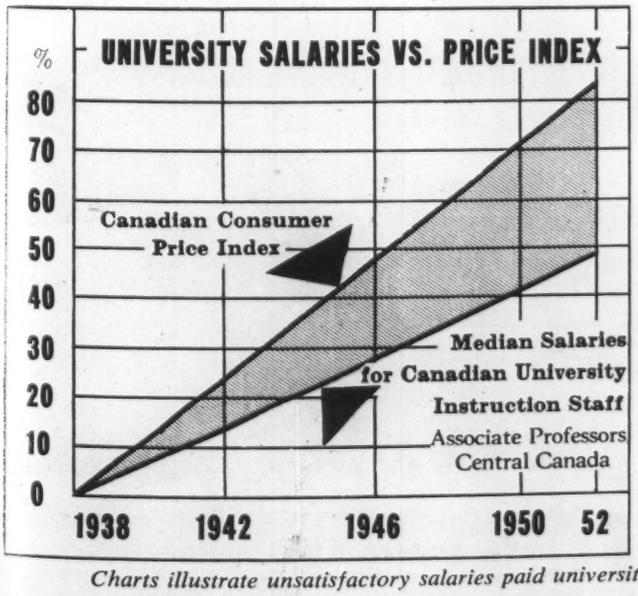
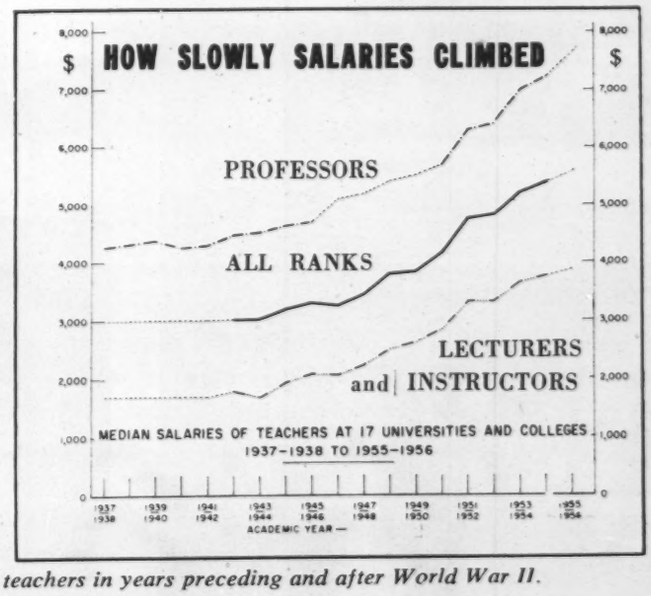
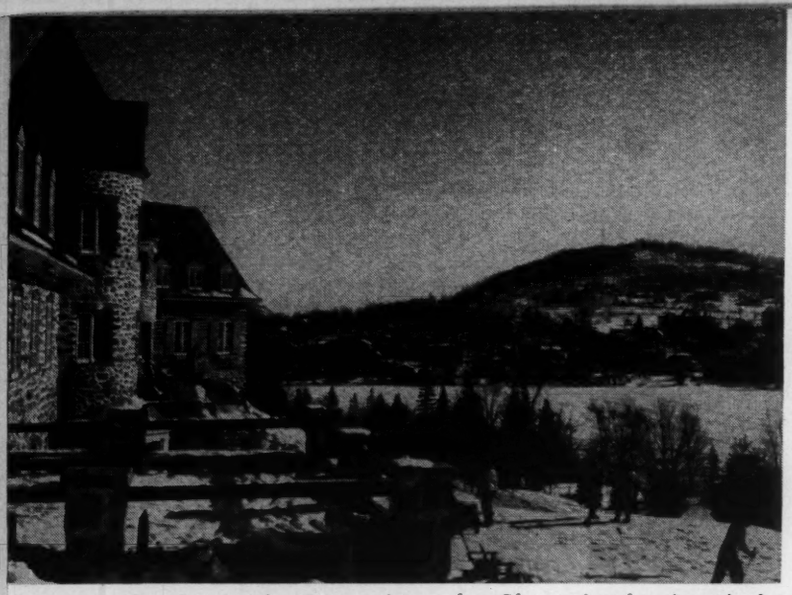




Charts illustrate unsatisfactory salaries paid university teachers in years preceding and after World War II.



Snuggled in the Laurentians, the Chantecler hotel and the village of Ste. Adele-en-Haut exude quaint old-world charm.

Two attractive visitors pause to get their bearings at snowy ski trails crossroads at Ste. Marguerite.

Happy tourists relax after an exhilarating day spent on the ski trails in the hills of the Lac Beauport area.

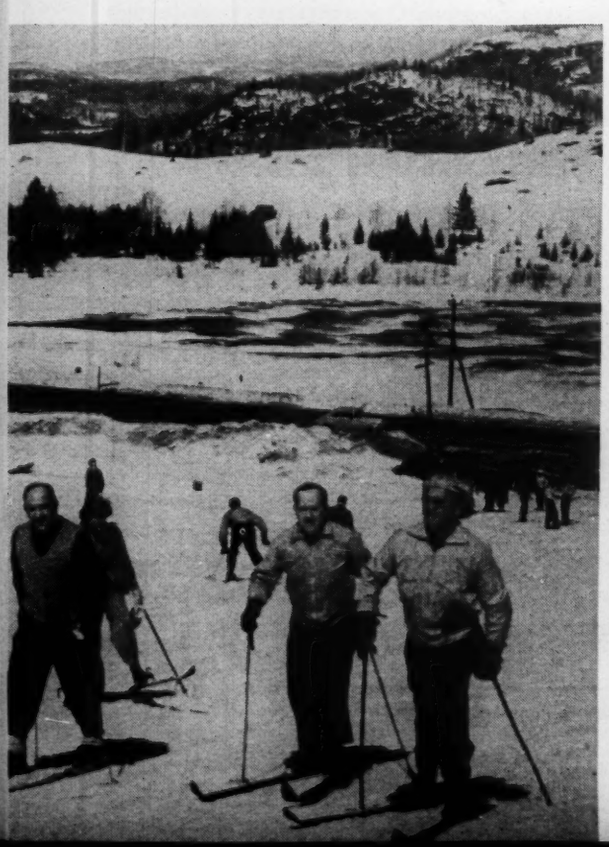
Sunshine Skiing

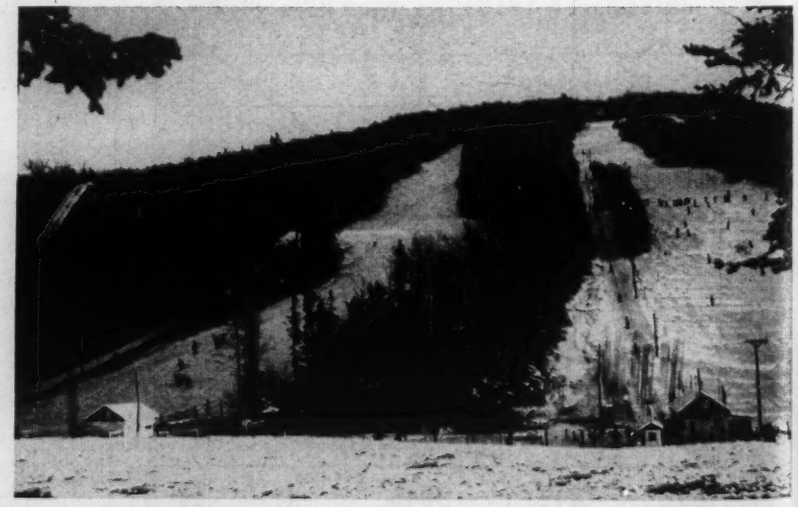
by Waldemar

QUEBEC'S SPRING SUNTAN belt covers the middle of the Province just as the traditional *çeinture flèchée,* an intricately coloured broad band of warmth in wool, girds the ample waist of "Bonhomme Carnaval", the symbol of winter carnival gaiety.

In the glacial age, the retreating ice cap, with giant granite boulders underneath like great scarifiers, bull-dozed the calm face of Quebec into clumps of ridges and deep gouges, which each succeeding winter covers with a bountiful mantle of snow.

With characteristic French practicality, Quebec par-





Quebec snowbowl is at Lac Beauport, 10 miles from the city of Quebec. Ski run is at centre, with T-bar lifts at right, jump tower at left.

Marvellous snow conditions from November to April have made Quebec's Laurentian mountains a ski mecca. Here, skiers set out at Ste. Agathe.

The old adage that one is never too young to learn is put to the test by instructor and moppets on Ste. Agathe slope.

Bright sunshine, sparkling snow, issue a cheerful welcome in the Laurentian hills near St. Jovite, north of Montreal.

Near St. Sauveur, a sports village only 40 miles north of Montreal, vacation visitors sample fresh maple sugar toffee.

ng in Old Quebec

emar Cartier

lays the topography and the snow bonanza into a multi-million dollar profit from the ski travel industry. The combined operations by the Provincial Parks Branch, the Department of Highways, and the capital investments of the ski resort operators, along with proper promotion by the tourist bureaus of both areas and province, have made the Quebec winter sports community the snowtime vacation goal of the eastern half of the continent with a strong admixture of European ski tourists and visitors from United Nations delegations in New York.

Ski-tan weather in the early spring brings probably the heaviest influx to the Quebec ski slopes and the ice-block sun terraces of the resorts. From mid-February until early April, a warming spring sun bounces dazzlingly off the clean white snow and the blue ice of northern lakes. Warm days and crisp nights alternately thaw and freeze the snow into a crystalline sugar snow that provides lightning fast skiing in the early mornings and the shank of the afternoons.

In the mid-day hours, the spring skiers sprawl in the sun behind windbreaks of translucent ice blocks. Sundeck

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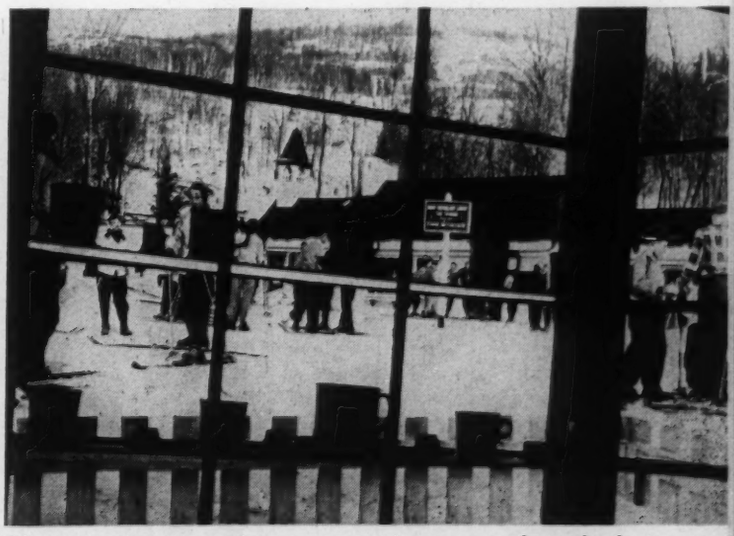


Pleasant winter vacation scene as it appears through the window of a vacation village curio shop at Mont Tremblant.

Ski vacationers stop for a noonday rest from the thrills and spills of their sport at typical Quebecois ski chalet.

How the Banks Can Halt Inflation

by Kenneth Gauldie

IN DISCUSSIONS regarding inflation, confusion between primary causes and inter-acting causes which keep it in operation, is often evident. The failure of governments and central banks to control inflation is, in some part at least, a consequence of such confusion of ideas.

Like the swinging of a pendulum, inflation is a repeating sequence of conditions —rise in prices, rise in the cost of living, rise in wage, salary and fee rates, rise in production costs, back again to rise in prices—in which each of the conditions is both the cause and the consequence of the others.

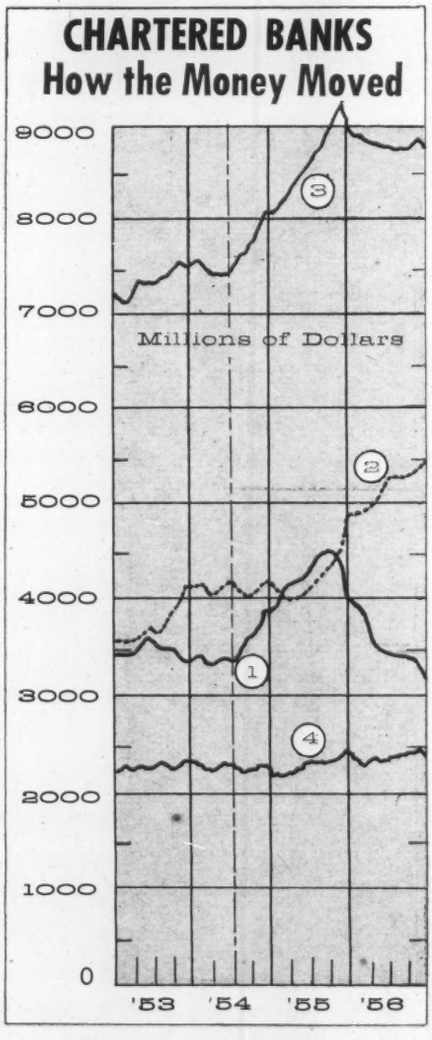
None of these conditions, neither rise in wages nor rise in prices is, however, a cause of inflation. All are merely stages in the recurrent sequence of cause and effect which is the phenomenon of inflation. Its responsible causes are the economic impulses given by Governments, banking systems and other agents and agencies, which started the process and maintain it in operation against forces tending to suppress it.

An impulse accelerating the rate of inflation may be given anywhere in the cycle. An increase in national, provincial, or municipal taxation of the buildings, equipment, or other capital of business would, of course, increase production costs; and rise in prices, rise in the cost of living and so on back to rise in production costs would follow in natural course and continue indefinitely.

An impulse of this kind would be a slow acting cause of inflation, because appreciable time is needed for an increase in such taxation to affect the cost of living and to react on wages. A more quickly acting cause of inflation would be a large increase in the volume of money loanable at reduced interest rates. Such easier money condition would stimulate spending on business expansion and in other directions, would increase demand for labour and material, would elevate the prices of both and would be a potent cause of inflation.

An example of such large increase in the volume of money occurred in Canada, starting in July, 1954 when the present Bank Act came into force. The chartered banks naturally took immediate advantage of the legal permission then given to them greatly to increase the amount of their lending; and Canadian history since that date has to large extent been the sequence of events which were consequences of that primary inflationary cause. Strangely enough the cause itself seems to have become lost in the mist of confusion that enshrouds inflation and the value of the dollar.

A bank must, of course, be able to meet any probable demand by its customers to withdraw their deposits in legal currency; and until the present Bank Act came into force legal restrictions made it necessary that the chartered banks should maintain an average, minimum reserve of ten dollars of cash in hand and on deposit in the Bank of Canada for every hundred dollars of deposits in their books. In July 1954, however, the legal, minimum, average Cash Reserve Ratio was reduced to eight per cent with effect that the banks which formerly could carry deposits of ten times their cash reserves were now enabled to accept deposits up to a total of twelve and a half times the amount of these reserves. Purely from the point of view of an unnecessarily high factor of safety the change may have been reasonable. It enabled the banks to create new money in very large volume, however; and whether it was justified on these grounds is a very different question.



CHARTERED BANKS

(1) Govt. of Canada and other Canadian Securities
(2) Total loans
(3) (1) + (2) = Investments + Loans

BANK OF CANADA

(4) Holdings of Govt. Securities
(1), (2) and (4) From Bank of Canada Annual Report.

When the banking system increases the amount of its loans the money it lends, when spent by the borrowers, returns to it in the accounts of other customers and there is corresponding increase in the total of deposits in its books; and when banks buy securities the money they give in payment flows into the hands of the public, and again there is corresponding increase in the total of bank deposits. Any legal permission which enables banks to accept a greater volume of deposits amounts, therefore, to legal permission to increase the total of their loans and investments correspondingly.

During the first half of 1954 the mean cash reserves of the chartered banks amounted to a total of $894 million and the average volume of deposits which, on the ten per cent basis, they might carry with that reserve was $8940 million. In July of that year, however, when the legal minimum cash reserve ratio was reduced to eight per cent, the volume of deposits which the banks might carry with the same cash reserve was increased by 25% to $11,170 million.

Reduction of the legal minimum cash reserve ratio from ten to eight per cent had the effect, then, of empowering the banks, without increase in their reserves, to accept a total of $2230 million more of deposits than before and, therefore, of permitting them to increase the total of their loans and investments by like amount. Had the 10% ratio been maintained, the same increase in lending and acquisitive power would have occurred had earnings amounting to $223 million been transferred to cash reserve.

By consenting to reduction of the cash reserve ratio from ten to eight per cent Parliament had, then, in effect, made a gift worth $223 million to the shareholders

of the chartered banks for which, in the higher prices of everything which Canadians have since bought and now buy they have paid and are still paying.

The year 1954, when the present Bank Act came into force, was one of slight business recession in Canada; the total of outstanding bank loans remained practically constant over the whole of that year, and interest rates were low. The banks could, of course, have increased their loans by further reduction of interest rates; but it was more profitable for them, at the time, to utilise their increased lending and earning power by buying interest-bearing securities.

It was natural, therefore, as is shown in Graph No. 1 of the accompanying chart that, in July 1954, the investments of the chartered banks should start to rise precipitously; and in little over a year their ownership of Government and other securities had increased by over a third from $3,350 million to a maximum of $4,500 million.

As is evident from Graph No. 2, there was little change in the total of outstanding bank loans during most of that period. After the middle of 1955, however, the banks found increasing outlet at higher interest rates for their greater lending power and, until near the end of that year, the total of their loans and investments continued to increase rapidly (see Graph No. 3).

As new money came into circulation in payment for securities bought by banks and as loans to their customers, there was corresponding increase in the total of the deposits of the latter. Mainly for that reason but partly because the banks were operating with a somewhat lower cash reserve, the cash reserve ratio of the banks had fallen, towards the end of 1955, nearly to its legal minimum and it became necessary to prevent further decline.

For reasons which do not concern the present argument the chartered banks as a whole cannot increase the total of their deposits in the Bank of Canada without co-operative action by that Bank. Further decline of the cash reserve ratio was, therefore, checked by sale of securities by the chartered banks; and for some months while the total of their loans continued rapidly to increase, their investments declined even more rapidly. Increase in the total of bank deposits as result of lending was thus counteracted by decrease as a result of sale of securities by the banks to the public; and in that manner further increase in the total of bank deposits and further decrease in the cash reserve ratio were prevented.

How greatly the earning power of the banks was increased by reduction of the legal minimum cash reserve ratio is clearly shown by the rapid increase in the total of their loans and investments between June 1954 and December of the following year, which is so prominent a feature

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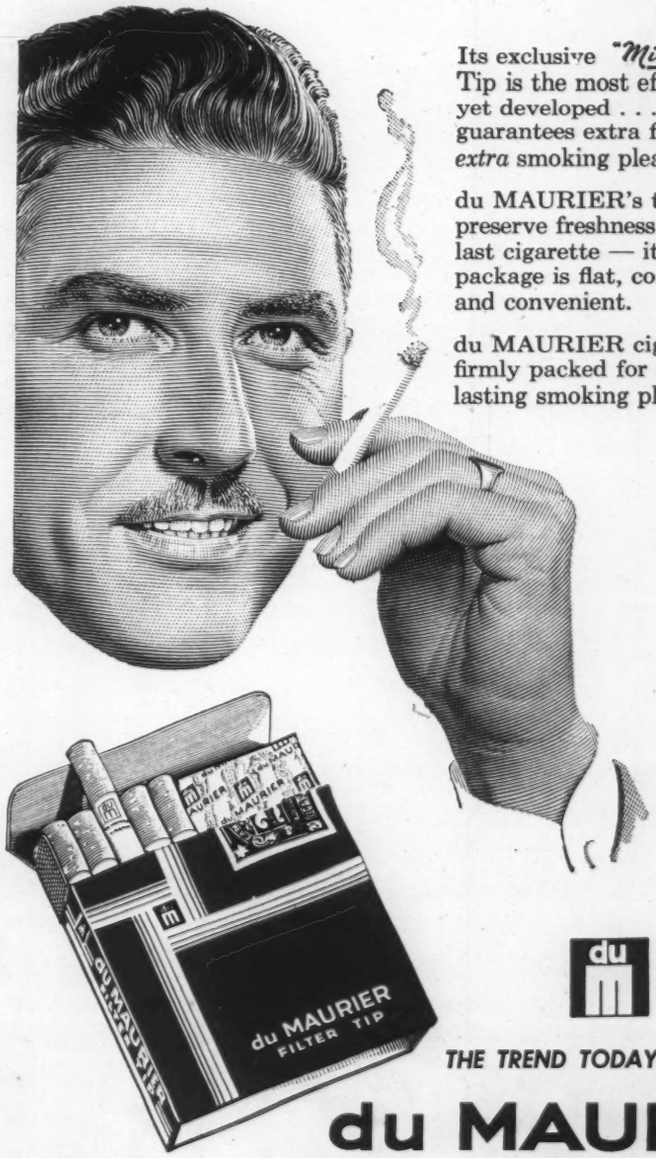

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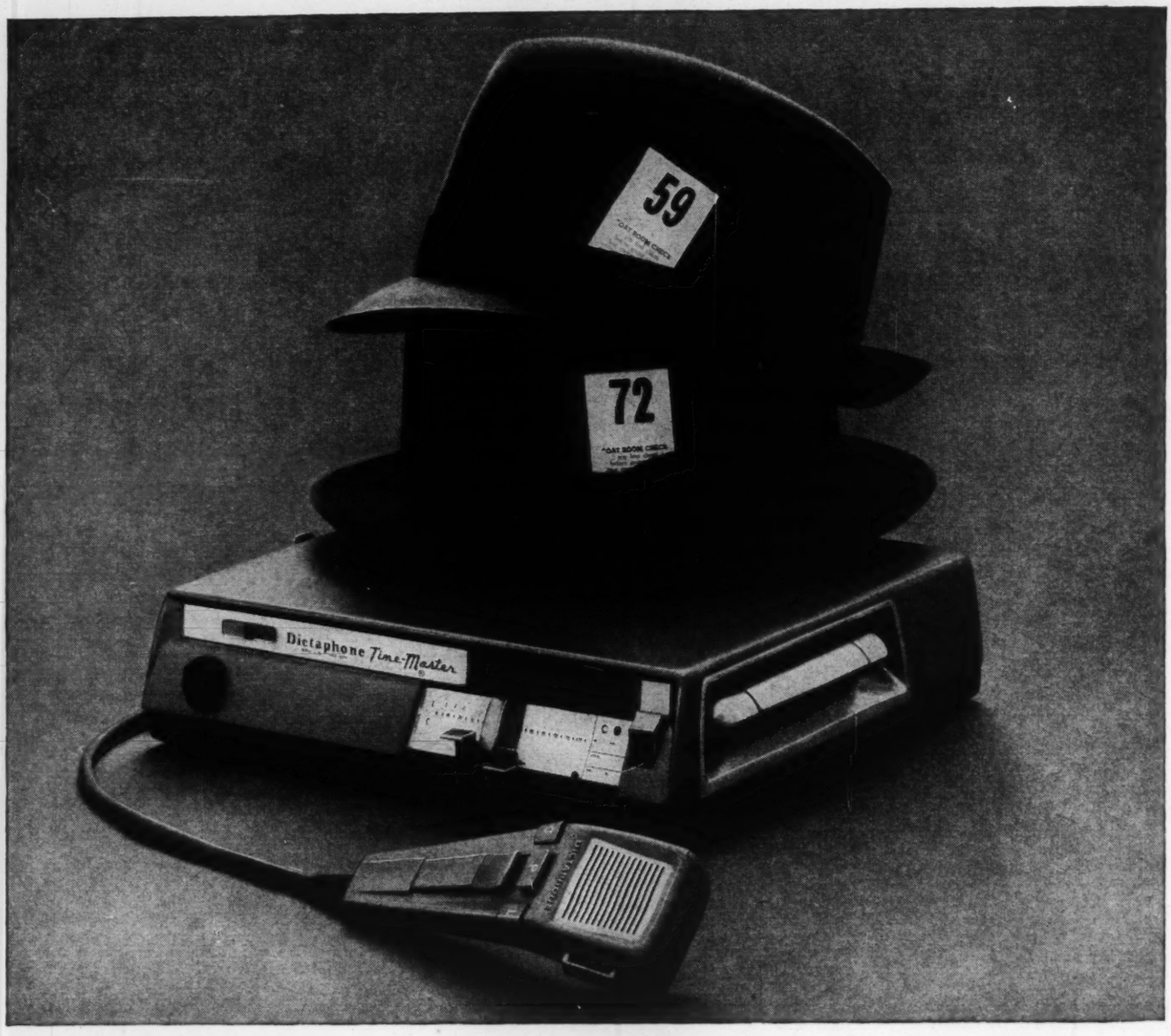

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of Graph No. 3. The corresponding amount of new money (roughly eighteen hundred million dollars, well over a hundred dollars for every man, woman and child in Canada), which, in addition to the savings of society, became available for investment and spending for other purposes, created a demand for goods and services greater than the supply at previous prices and had the natural effect of contributing to the inflation that has since taken place and is still in progress. The investment boom of 1956 was a natural and predictable consequence of that great addition to the amount of Canadian money; and it is certain that the business recession and serious unemployment that are causes of so much present concern in Canada are, to large extent, reaction to overspending.

The lending power of the banks naturally increases very rapidly as the legal minimum cash reserve ratio is reduced. Should that ratio be a tenth, the lending power of the banking system would be ten times its cash reserves. Were the ratio to be a hundredth, that lending power would be a hundred times the cash reserves of the banks; and if the legal minimum were to be reduced to zero the lending and acquisitive powers of the banks would be infinite.

It would be possible, therefore, for the banks to acquire complete ownership and control over all industry; and just why Parliament, by reduction of the ratio from ten to eight per cent, should have taken so long a step towards that condition is somewhat of a mystery. It was certainly unintentional; and the probable reason for it was that in the previous Act the minimum cash reserve ratio was specified as five per cent. Parliament was, therefore, presumably under the misapprehension that by nominally increasing that ratio to eight per cent it was actually adding safeguards to the banking system and to Canadian economy. What apparently was insufficiently realized was that the five per cent minimum ratio of the earlier Act was on a day-to-day basis and that the actual ratio was consequently subject to so wide variation that, in order that it should not fall below the legal limit on any day, an average minimum cash reserve ratio of ten per cent was regarded as necessary and was, in fact, being maintained by the banks. That is, the nominal increase Parliament had ordained was, in fact, a large actual decrease.

Perhaps the most significant feature of Graph No. 3 is the sharp reversal of its slope and its subsequent flattening off after the banks began to unload their surplus stock of securities. During this stage of events, the banks, by selling securities, were taking existing money out of the pockets of society as rapidly as, or even more rapidly than they were, by lending, putting new money back into its pockets. They were thus demonstrating in a very practical manner the fact that the banking system has the ability to keep the amount of money in circulation under control and to enlarge or contract it at will.

From this it is a natural deduction that, within limits, the banking system has the ability to prevent inflation.

The business of the chartered banks is not however, to control the purchasing power of the dollar; and it was for the simple reason that they could profit more by general lending than by collecting interest on securities that this accidental demonstration of the stabilizing powers of the banking system was made.

Control of the purchasing power of the national currency is, of course, a natural responsibility of the national government and of the central bank responsible to it; and a declared function of the Bank of Canada is "to mitigate by its influence fluctuations in the general level of—prices—so far as may be possible within the scope of monetary action." As that Bank is, in effect, a department of government its business is to serve the public interest, not to earn a profit. And as it is a very large holder of Government securities (over 90% of its assets are in that category), what the chartered banks did in their own private interests and with temporary effect, the Bank of Canada can do in the public interest and lastingly.

It is hardly to be expected, however, that the Government that was responsible for reduction of the cash reserve ratio would be aware that inflation would be its consequence and would take prompt measures to counteract it; and Graph No. 4, which relates to securities held by the Bank of Canada, clearly shows that whatever measures the Government may have taken to maintain the purchasing power of the dollar, selling of its securities by the Bank of Canada was not one of them. Nevertheless, had that Bank, in July 1954, commenced to sell Government securities in the open market the decrease in its assets in the form of securities would have been offset by corresponding decrease in its liabilities in the form of deposits by the chartered banks. The cash reserves of the chartered banks would, therefore, have been reduced by the amount of the sales made by the Bank of Canada; and in that manner, by the sale of a very small proportion of the securities owned by that Bank the increased lending power of the chartered banks arising from reduction of the cash reserve ratio could have been neutralized.

That this could have occurred may be confirmed by assuming a direct sale by the Bank of Canada to the chartered banks of $179 million in securities. By such sale in July 1954 the chartered banks' reserves of cash in hand and on deposit in the Bank of Canada would have been reduced from $894 million to $715 million and their maximum lending and acquisitive power on the eight per cent basis would have amounted to $8,940 million.

The reduction in 1954 of the legal minimum of the cash reserve ratio was a purely monetary but nevertheless extreme cause of inflation. Extreme as it was the Bank of Canada had more than ample resources to neutralize it; and what it could then have done it could much more easily have done before and since to counteract the far less extreme causes of inflation which ordinarily operate in a well-organized society.

The Bank of Canada can prevent inflation, however, only "so far as may be possible within the scope of monetary action." It cannot sell more securities than it has and it can counteract inflationary causes (such as increase in taxation of kind that elevates the cost of living) which are not primarily of monetary nature only as far as its resources permit. But its ownership of securities is very large, and with its present resources it could neutralize ordinary causes of inflation for many years, long enough for any vigilant government to seek, find and correct them.

There is a prevalent opinion that, because of continued rise in prices in the United States and elsewhere whence supplies are drawn, the inflation now proceeding in Canada is imposed from abroad. Such was the case when currencies were bound together by the convertible gold standard; and such is still the case in Britain and other countries whose currencies are bound at practically fixed rates of exchange to the U.S. dollar. All of these countries have a very limited degree of independent control over inflation. The purchasing power of all of their currencies must decline at the same average rate, and anti-inflationary measures by any one country have no hope of more than temporary success if inflation is steadily proceeding in the others. The inflation now occurring in any of them may, therefore, be imposed from abroad.

Not so, however, in Canada. She has freed her exchange from foreign bonds, and since 1950 the value of the Canadian dollar has been in her own hands, and she can blame none but herself if its purchasing power declines. It is not long since the U.S. dollar could buy twice as much as now. Had the purchasing power of the Canadian dollar been maintained constant since that time it would now exchange for two U.S. dollars and it would buy in the United States just as much as before, in spite of the doubling of prices there.

Inflation cannot, then, be imposed on Canada from abroad; and if, as is the case, she is paying increasing prices in Canadian dollars for her imports, the reason is not because of inflation abroad but because she has not, herself, adopted the measures necessary to stabilize the purchasing power of the Canadian dollar.

Chess

by D. M. LeDain

THE H-BOMB of chess, the Double Check, is as old as the game itself. Flight offers the only hope of survival from this fearsome weapon.

White: Smyth, Black: H. Helms.

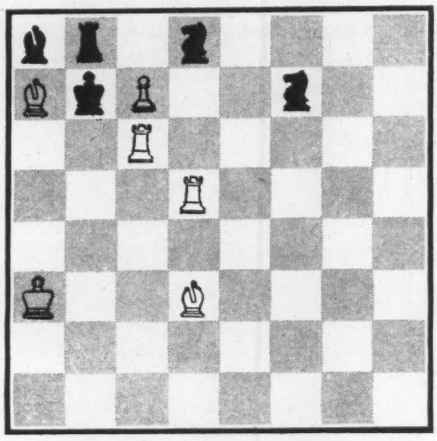
1.P-Q4, P-KB4; 2.Kt-KB3, Kt-KB3; 3.P-B4, P-K3; 4.Kt-B3, P-QKt3; 5.P-K3, B-Kt2; 6.B-Q3, B-Q3; 7.P-QR3, P-QR4; 8.Castles, Castles; 9.Q-B2, Kt-B3; 10.P-K4?, PxP; 11.KtxP, KtxKt; 12.BxKt, KtxP!; 13.BxPch, K-R1; 14.KtxKt, Q-R5; 15.P-KKt3, QxKt; 16.B-Q3, R-B6; 17.B-K3, Q-K4; 18.QR-K1, QR-KB1; 19.BxP, Q-R4; 20.B-K3, Q-R6; 21.B-K4, QR-B4!; 22.BxQR, Q-Kt7ch!!; 23.KxQ, RxKtP dbl. ch. and mate.

White: W. N. Potter, Black: N. N.

1.P-K4, P-K4; 2.P-Q4, PxP; 3.B-QB4, P-QB4?; 4.Kt-KB3, P-Q3; 5.Castles, Kt-QB3; 6.P-B3!, P-Q6; 7.R-K1, B-Kt5; 8.P-K5. KtxP?; 9.KtxKt!, BxQ; 10.B-Kt5ch, K-K2; 11.B-Kt5ch!, P-B3; 12.Kt-Kt6 dbl. ch., K-B2; 13.KtxR mate.

Solution of Problem No. 212 (Loyd). Key, 1.Q-KB1, B-Q5; 2.Q-Q3. Or, 1 . . , P-Kt6; 2.Kt-Kt6 ch.

Problem No. 213, by H. W. Bettmann. White mates in two. (6 + 5)



Puzzler

by J. A. H. Hunter

"LIGHT DRIZZLE turning to snow," the weather man had said, but the drizzle wasn't even light. "We can't go out. That's for sure," grumbled Jim, looking around at the other kids who had come in for his birthday party. "What say we play hearts."

So cards were produced and they all sat at the big table. "Last time you wanted to stop when you'd won three games in a row," Ruth reminded her brother. "So let's agree to stop only as soon as we've all won at least once."

"Okay by me," declared Jim. "Each game the losers all put a nickel in the kitty and the winner takes out twenty-five cents. But the winner of the last game clears the kitty."

This seemed a good idea, and so they started. And Jim's birthday luck didn't desert him. He only won one game, but it was the last and he ended up exactly a dollar to the good.

How many games did they play? (95)

Answer on page 44

Have a Royal Time

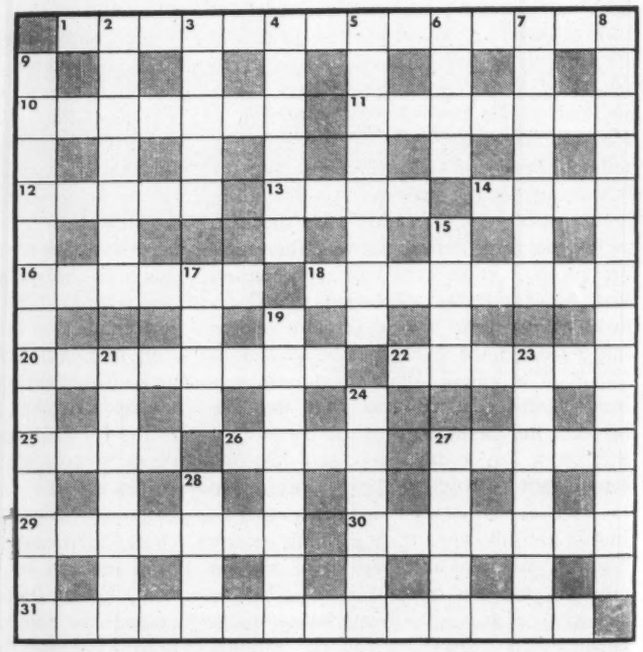
by Louis and Dorothy Crerar

ACROSS

1 Shakespeare's measure of royalty? (5, 4, 1, 4)
10 Napoleon's days were thus numbered. (7)
11 The Prince Consort had nothing on in Italy. (7)
12 They're gallant at heart, like 1. (5)
13 Eugene O'Neill's desire was beneath them. (4)
14 It was well fed for a son who fed well on it. (4)
16 When changing sides one may go this way. (6)
18 Did he shoot himself at Monte Carlo? (3, 5)
20 Dies calm, perhaps, but speaks out when alive. (8)
22 A fairy queen backs up with a frightening cry. (6)
25 Yet it's not the paper for song-writers. (4)
26 Hot fiddler? (4)
27 This General's battle cry was probably "Onward, Christian Soldiers". (5)
29 Toscanini began one of his operas, but his ending was the composer's. (7)
30 Dance with nothing on and get that floating feeling. (7)
31 Boy Scouts and Girl Guides are, and make them. (5, 9)

DOWN

2 Rage rises when French wine is taken and found sour. (7)
3 Not the proper setting for a man-about-town. (5)
4 This could be denied, to be sure! (6)
5 Main dish for a grouse? (4,4)
6 A man of low degree returning to be a priest. (4)
7 These might make raids on dead-end streets. (7)
8 To be so useless seems to be beneficial, and there's no charge. (4-3-7)
9 Like an inch of elastic? (5, 3, 6)
15 Sing to it and be agreeable. (4)
17 Operas that are never sung. (4)
19 A little devil starts something that may take a dermatologist to end. (8)
21 This astringent gives each cut a different appearance. (7)
23 Perhaps one should retire, as it were, after this feast. (4-3)
24 How one should eat turkey? (6)
27 Getting a ring is nothing new to her! (5)
28 Might not this wife be her mate's sole companion? (4)



Solution to last puzzle

ACROSS

1, 33. Then come kiss me sweet and twenty
10 See 30
11 Hairnet
12 Buys
13 Alice
14 See 9
17 Acid test
19 Cicada
22 Decide
23 Cashiers
25 Barn
26 Bandy
27 Eros
31 See 30
32 Profane
33 See 1

DOWN

2 Hefty
3 Norm
4 Outclass
5 Ethics
6 Iris
7 Syncopate
8 Eaten
9, 14. Darby and Joan
15 Study
16 See 30
18 Incurable
20 Assisted
21 Bald spot
24 Maiden
25 Bliss
28 Roast
29 Wilt
30, 10, 16. Love at first sight
30, 31. Love is blind (462)

Books

by Robertson Davies

Brendan Behan: Not so green as cabbage-looking.

The Wild Harp

No sooner have you convinced yourself that the Irish are all minstrel boys than you meet six Irishmen in a row who have nothing to say, and who say it badly.

HAVE THE IRISH a national genius for expression in words? Are they really gifted beyond other English-speaking peoples in poetry, in conversation, in drama? Would English literature suffer a desperate blow if some malign fairy were to deprive it of all that had been contributed by writers of Irish blood? Certainly there is strong support for these beliefs among critics and lovers of literature who are otherwise hard-headed and clear-eyed. As part of a discussion of Brendan Behan's *Borstal Boy* we may give some consideration to these matters.

First, the matter of national genius; I don't believe in it. No sooner have you convinced yourself that the Irish are all minstrel boys, ready to strike the wild harp if you ask them for a match, than you meet six Irishmen in a row who have nothing to say, and say it badly. Irish newspapers, and Irish tourist propaganda, are just as bad as their like anywhere else.

Many an Irishman has a gift for blarney, but so has many an Englishman and many a few. The Irish support the legend that they are eloquent, just as Scots support the legend that they are honest, and Englishmen concur when somebody says that Englishmen are brave. We are all happy to support a flattering national portrait, but most of us know in our hearts that these portraits are exaggerations, usually of a single trait which manifested itself spectacularly at a particular moment in history.

Are the Irish more deft with our language than other English speakers and writers? If they are so—and demonstrably this is true of some of them—it is because they had a special piece of good fortune. The Irish tongue began to fade out of general use in the eighteenth century, and it was the spoken English of that favored age that the Irish peasantry acquired; they have maintained some of its cleanliness, raciness and rhetorical flourish when the rest of us have lost these good things.

The Irish peasantry learned English from an aristocratic and educated class, and the mark of that piece of luck still remains with some of them. They also gave English a few Celtic twists of construction which brought a pleasant new rhythm to it and, when not over-used, still do so. But much of the illusion that Irish-English is especially good rises from the fact that it is old-fashioned.

As for Ireland's special contribution, I doubt if Swift, Congreve, Sheridan, Wilde and the rest, would thank us for suggesting that they stood apart from the main body of English literature. Sterne, who was born at Clonmel, writes as much like an Irishman as any of them, and Sterne was no more an Irishman than Kipling was a Hindu. The writers of the Irish Renaissance put great stress on their nationality, but for political, rather than purely literary, reasons. Few of them, or of their descendants, have thought it necessary to their genius to write in Erse.

All of which leads me to my belief that Mr. Behan, in *Borstal Boy*, is twanging the wild harp a little too feverishly, because he thinks that we will like what he has to say better if he says it in an Irish brogue than if he wrote in standard English. To use a favourite quaint expression of his people, Mr. Behan is not so green as he's cabbage-looking.

His tale can be briefly summarized. When he was sixteen he went from Ireland to Liverpool as an emissary of the Irish Republican Army to plant a bomb in a public place, in protest against the partition of Ireland. He was caught, spent some time in a Liverpool prison, and was later sent to a Borstal institution.

In his extenuation it may be said that he was young, and deeds of daring appeal to the young, especially when linked with a Cause. But nowhere in *Borstal Boy* does he express regret for attempting an act which might have killed several innocent people — the bomb-outrage before his failure, also in Liverpool, killed five — though he comes to believe that the English are not so bad as he had thought. Since his Borstal days Mr. Behan has had a considerable success in London with his play *The Quare Fellow* (also lovably Irish, even to the title) and English critics have scattered the paste jewels of their praise beneath his feet.

Kenneth Tynan, whose professional character is that of the clear-eyed, undeluded drama critic, offers us this tribute: "If the English hoard words like misers, the Irish spend them like sailors; and Brendan Behan, Dublin's obstreperous poet-playwright, is one of the biggest spenders in this line since the young Sean O'Casey. Behan sends language out on a swaggering spree, ribald, flushed, and spoiling for a fight."

This is scarcely phlegmatic. Indeed, it is a choice sample of the old English literary game of licking the hand that has tried to stab you.

Borstal Boy does not appear to me to be a particularly well-written book. If a third of it had been cut, it would have been impressive. But Mr. Behan's flushed ribaldry begins to wear thin well before the end. He has learned a neo-Joycean rhythm—I do not for an instant believe that it is native to him—but he has not learned it as thoroughly as, for instance, J. P. Donleavy, who used it with so much skill in *The Ginger Man*. Mr. Donleavy,

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is an American who lived for some time in Dublin, and now lives in England. The Irish flavor of his book is subtle; he does not douse us with poteen. Quite apart from this Irish flavor, his book is written with a variety and tautness of expression which Mr. Behan utterly lacks; he would be a good writer even without his slight prose brogue. Mr. Behan would not, and I think we shall see his rapid decline.

Both of these books have attracted attention because they use language and describe incidents which many readers have found shocking. Again the contrast is instructive. Mr. Behan, wishing to tell us how men in prison speak, and how he himself—wild, colorful boyo that he is—thinks, makes plentiful use of obscenities, some of which he prints in full, some of which he indicates by dashes, and some of which he merely mis-spells. The effect is at first electrifying, and then grows dull. Most of us know that men (and women too), become foul-mouthed when they are segregated as to sex and deprived of the decencies of civilization; we also know how dull their dirty talk is.

Schoolteachers, in my childhood, often lectured us about swearing, saying that it was a sign of insufficient vocabulary. This is not the whole truth. Artistic swearing, by a man with a fine command of language, is a form of wild poetry, producing effects otherwise unattainable. But the dreary dirt of brutes, or mental cripples, is as annoying as an idiot pounding tunelessly on the keys of a piano. I am sick of it in modern literature, and I wish that writers would either learn to swear and talk bawdy like artists, or leave it alone.

Mr. Donleavy uses his dirty language for purposes of shock, and he succeeds because he knows that shock, too often repeated, produces numbness. His surprises are carefully planted in passages of excellent writing, and thus they never fail to make their effect. Further, he produces shock by means of situation, by fantasy, and by brilliant incongruity. In other words, he uses it like a literary artist.

This is not to say that Mr. Behan has no claim to be called an artist, but he is a lesser artist than Donleavy, by many notches. His artistry lies in making himself agreeable to the reader, who may be lulled into forgetting that Behan went to Borstal because he was a terrorist. Young, misguided, unaware of the full implication of what he tried to do—yes, all of that must be granted. But if a decision had to be made between describing him as a dear, darlin' boy, with a song on his lips and the love of the Ould Sod in his heart, and a terrorist thug, I know which term I should choose.

Borstal Boy, by Brendan Behan—pp. 343 & portrait—*Hutchinson—$3.50.*

Short Reviews

The Pistol, by James Jones—pp. 158—*Saunders—$4.*

This dull and overwritten book is a short-story theme which the author has blown up with wind, hoping to give it the bulk of a novel. A nineteen-year-old American soldier on Hawaii has kept a pistol out of stores, which comes to be a symbol of self-protection and in some degree of autonomy to him and his friends, many of whom try to get it. A good theme, but not as used by Mr. Jones. B.E.N.

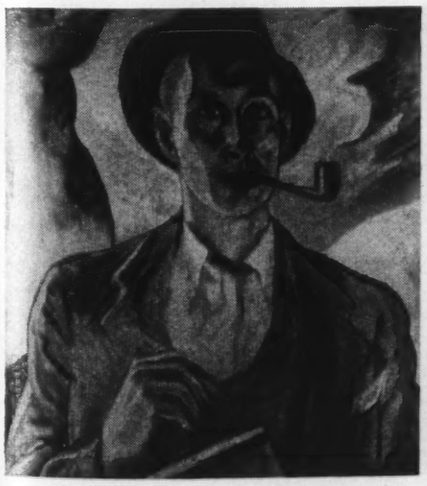
Lady L., by Romain Gary—pp. 215—*Musson—$3.50.*

A fairy-story for adults, deceptively simple in style, but with all the fantasy, cruelty, melodrama and surprise of the Cinderella theme. Lady L., who is eighty, tells the tale of her life; she was a prostitute, who was taught the manners and tastes of a lady by a revolutionary ex-priest on whose behalf she served as a spy in High Society. Clever, amusing and exciting, it is a study of the Eternal Fanatic, victimized by the Eternal Opportunist. B.E.N.

The Magic-Maker: E. E. Cummings, by Charles Norman—pp. 384, illustrations—*Brett-MacMillan—$8.*

e. e. cummings' typographical mannerisms have assaulted the reader visually to a degree which has made it difficult to decide whether he is an original poet or an individual who paints and writes poetry. His paintings have had quite a vogue in recent years, and are now being "collected".

However, the reader does not need to have reached a satisfactory answer to this problem in order to gain a fair amount of enjoyment from a biography of cummings. Its principal milieus are Paris and Greenwich Village in the 'twenties', and what is more interesting than that, except Paris and the Village in other periods? M.A.H.



e.e. cummings: From the jacket.

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The Lively Arts

by Mary Lowrey Ross

"Your Best Entertainment"

DURING THE FORTY-SEVEN years that have elapsed since the sinking of the *Titanic* the screen has approached the tragedy in a variety of ways. Noel Coward allowed it a glancing but poignant reference in *Cavalcade*. Hollywood went all out in a full grand-hotel treatment and ended by diverting the climax from the sinking of the *Titanic* to the salvation of Clifton Webb. Then a year or two ago television took a hand, presenting a serious and scrupulous account of the disaster on a screen that proved too small and too intimate to contain the immensity of the legend.

The English film *A Night to Remember* can now be taken as the definitive screen treatment of the *Titanic* catastrophe, since it combines a patient examination of the facts with an inexorable ding-dong insistence on the lesson of the parable. "But the *Titanic* is unsinkable" the victims kept repeating as a sort of hopeless incantation, almost up till the moment when the great ship headed toward the floor of the Atlantic. "We were so sure," murmurs Officer Lightoller, clinging to his capsized life-boat, the last to leave the *Titanic*. It is this theme, constantly played up, played over and over again, that gives the *Titanic* story its quality of legend, as old as human delusion, almost as old as the Story of the Flood.

The *Titanic* was doomed, but as the film shows with ruthless clarity, she was doomed by sheer human fecklessness rather than by malignant fate. Designed to carry 3000 passengers, she had lifeboat accommodation for fewer than 1200. Her water-tight compartments were so disposed that the flooding of the five forward bulkheads rendered the remaining eleven compartments useless. No one, it seemed, had figured on a hidden ice-reef that could rip across all five forward bulkheads at a stroke, and Captain Smith, intent on making a record maiden crossing, continued to steam through the ice-field, disregarding the radio warnings of more cautious vessels. The *Titanic* was a ship bewitched, but she was bewitched by human miscalculations on a truly titanic scale.

The film is based on the best seller by Walter Lord who compiled his story from newspaper accounts, magazine articles, interviews with survivors, investigating committee reports, etc., and seems to have assembled the first dispassionate account of one of the world's most passionately disputed stories. Eric Ambler, who wrote the screen version, has kept close to the original documentary approach.

On the night of April 14, 1912, there was little time to consider individual destinies and very little time is allotted to them here. There was plenty of time however, then and later, to examine the social and sociological implications of the story, and the film fairly bristles with these—the careless opulence which seemed to suggest that no one has ever been rich as the Edwardians were rich, the terror that wiped out every social distinction, leaving

Kenneth More (centre): With grace under insufferable pressure.

Alec Guinness: With vituperative wit.

nothing for display but panic or courage; the heroism that ran like a contagion through the First and Second class, but excluded the steerage, which was left largely to its fate.

The cast, an enormous one, is headed by Kenneth More as Officer Lightoller, the man who seems to have emerged from the catastrophe with the best record of grace under insufferable pressure. It is altogether a heartshaking picture, taut with suspense that no amount of familiarity with the story is able to lessen for even a moment.

In *The Horse's Mouth*, Alec Guinness, a man of high talent, presents himself as Joye Cary's famous Gulley Jimson, a man of furious genius; and if the genius is less in evidence than the talent, the talent itself has never been better displayed. Guinness, who is himself responsible for the screen version of the novel, has handed himself some memorable dialogue, and though this has been more or less adapted to respectable ears it is still loaded with the vituperative Cary wit.

The screen version follows the novel fairly closely with the hero moving from one shaggy outrageous episode to the next at the direction of his inner daemon which usually insists that he fill any large available space with Jimson murals. This impulse leads him to move into the elegant apartment of a London art-lover, temporarily absent in Jamaica and redecorate it in the latest Jimson period. The results are horrendously funny.

Guinness plays his Gully Jimson almost entirely for laughs which enriches the comedy at some sacrifice of the characterization. Cary's Jimson was an artist whose passion simply consumed every mild scruple of respectability so that he was able to lie, steal, cheat, and invade the sacred rights of property with a clear conscience and even a special sort of innocence. But the Guinness Jimson is a boozy, shambling, wonderfully funny bum. The result, though mixed entertainment, is still entertainment of an unusually high order.

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Gold & Dross

The experts can be wrong—An improving sentiment in gold—Why a good mine dies hard—The current outlook for iron ore.

DeCoursey-Brewis

How would you rate chances of the De Coursey-Brewis Minerals in its proposed resumption of exploration on the old Brewis gold property at Red Lake, Ont? —M.H., Windsor.

Not until some one invents a machine for seeing under the ground will it be possible to rate the chances of a mining property. The history of mining is replete with stories of ore not being found in logical locations and of being discovered in equally illogical places (according to the book).

The Red Lake property on which De Coursey-Brewis (nee Brewis Red Lake) intends to carry out further drilling adjoins New Dickenson Mines on the north and H. G. Young Mines on the south. Both are interesting properties; the first-named is a producer, the second is one of the few gold properties to attract substantial financial backing in recent years.

The stock market is, however, not paying a great deal of attention to DeCoursey's chances. If the drilling is a failure, the market will say "I told you so." If the drilling finds a winner, it will just be one more case of the experts being wrong.

Ore is where you find it.

Hudson Bay Mining

Could you review the outlook of Hudson Bay Mining & Smelting in view of the improvement in the metal situation?—C.H., Sault Ste Marie.

Prospects were for Hudson Bay earnings to recover to the order of $1 a share for the last quarter of 1958 versus 82 cents in the third quarter and only about 50 cents a share in the March and June quarters. The $1 quarterly figure may be a criterion of earnings at existing metal prices.

Earnings are especially impressive in view of the company's ore position and the three-year tax exemption which will be enjoyed on profits resulting from production from new mines. Ore from the new mines will mean a corresponding reduction in tonnage demands on the main Flin Flon mine, prolonging its life substantially.

Within a year Hudson Bay will be drawing about 50% of its mill feed or 2,500 tons a day from outside properties now under development, whereas in 1957 only 16.2% of mill feed came from mines other than Flin Flon.

The satellite mines will not have milling plants of their own but ship their ore to the Flin Flon plant. Fortunately their combined grade works out to around the average for Hudson Bay ore so production will be kept in balance and no changes in the flow sheet will be necessary.

With outside production coming in, the company will be able to reduce demands on Flin Flon ore to a point which will give its main mine an indicated life of 15 to 16 years. There is, however, an old saying in mining which has turned out to be remarkably applicable and that is that a good mine dies hard. In consequence there is considerable hope that the Flin Flon operation will carry on for many years beyond its admitted or officially estimated life.

In the meantime this flourishing company, which owes its existence to New York capitalists, will probably not be letting up in its search for new properties of merit. It has a strong position in the metal world and will want to find ore reserves to perpetuate its existence. To this search it brings energy, experience and money. It isn't too much to hope for a repetition of the findings which are resulting in the present prospective drawing of millfeed from satellite mines.

United Keno

Is United Keno Hill Mines an attractive investment?—B.D., Montreal.

There are elements of attraction in United Keno although it would rate as a speculation rather than an investment. The word "speculation" is derived from the word "spy" or "spy out" and in the case of UK several attractions show up when it is subjected to the scrutiny of the observer's telescope.

This is a mixed-metal operation with a high silver content tending to stabilize earnings, which would otherwise fluctuate to the extreme in view of the lead-zinc content of the ore. Both lead and zinc have had wide price swings with the major swing being down in recent years. The situ-

ation respecting lead and zinc has been further clouded by the United States quotas on imports of the two metals. There appears to be little hope of an early lifting of these quotas.

Silver, too, has not been without political meddling, largely because of the voting leverage of the silver-producing states. The U.S. has a protected price for new silver mined from domestic properties but the free silver market is strong enough to support other profitable production of the metal, which is generally extracted in conjunction with other metals.

UK is a strong company with an interesting property—in the Yukon Territory. Profits dropped in the year ended Sept. 30, 1958, as a result of lower metal prices, being $586,840 or 23.7 cents a share on the outstanding shares versus 40.5 cents the previous year. Dividends of 32 cents a share were paid in the latest fiscal period against 50 cents a share the previous year.

The company maintained ore reserves at about 600,000 tons in 1957-58. Capacity is 150,000-160,000 tons a year.

Working capital at Sept. 30, 1958 was $3.3 million.

Market valuation reflects a high degree of expectancy of additional substantial being found on the company's several properties. The company enjoys exceptionally well-regarded sponsorship, being under the wing of the Connell interests, whose operating vehicle is Conwest.

Dome Mines

Is Dome Mines up because of an improvement in the gold situation? Will it go higher?—M.R., Port Arthur.

There has been some improvement in sentiment towards the gold stocks although there is as yet no evidence that this is based on any change in the situation respecting the price of gold. Certain diehards in the gold industry have been bleating for the last 12 years about the "need" for a higher gold price in order to stabilize the world economy. So far about the only indication that they might eventually be right has been the recent freeing of European currencies. It's any one's guess when the world will return to gold standards of currency, if ever. It has been amply demonstrated for the past 25 or 30 years that foreign trade can be conducted without the need of gold to discharge its traditional role of meeting adverse balances.

Notwithstanding the basic situation in the yellow metal, individual gold equities have attractions. Among these is Dome Mines, historically a leader in the yellow-metal group and, what may be more important, a favorite with American traders looking for action on Canadian markets.

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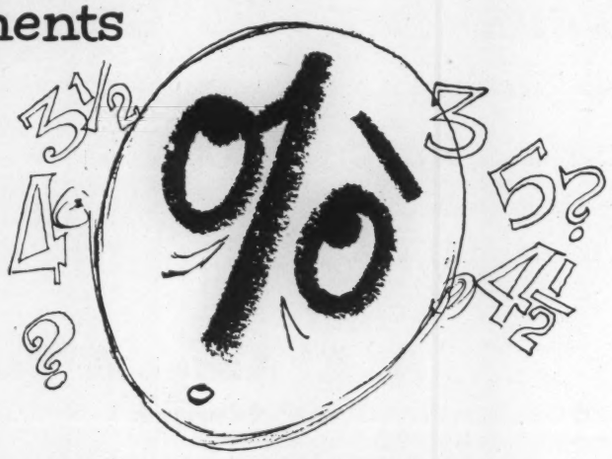

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BRITISH COLUMBIA ELECTRIC COMPANY LIMITED

NOTICE is hereby given that the Board of Directors has declared the dividends listed below on the Company's **CUMULATIVE REDEEMABLE PREFERRED SHARES** for the quarter ending 31 March 1959 payable on 1 April 1959 to shareholders of record at the close of business on 9 March 1959. In respect of shares represented by any share warrant, the said dividends will be payable on or after 1 April 1959 at any branch of The Royal Bank of Canada in Canada on presentation of the respective dividend coupons listed below:—

Series	Coupon No.	Dividend per Share
4%	48	$1.00
4¼%	15	$0.53
4½%	18	$0.56
4¾%	42	$1.19
5%	26	$0.62
5½%	6	$0.69

The transfer books will not be closed.

BY ORDER OF THE BOARD,
G. G. Woodward,
Secretary.

Vancouver, B.C.
29 January 1959.

THE ROYAL BANK OF CANADA

Dividend No. 286

Notice is hereby given that a dividend at the rate of **fifty cents** per share upon the outstanding capital stock of this bank has been declared for the current quarter and will be payable at the bank and its branches on and after Monday, the 2nd day of March, 1959, to shareholders of record at the close of business on the 31st day of January, 1959; shares not fully paid for by the 31st day of January, 1959 to rank for the purpose of the said dividend to the extent of the payments made on or before that date on the said shares respectively.

By order of the Board.
K. M. SEDGEWICK,
General Manager.

Montreal, Que.,
January 20, 1959.

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velopments at the parent and subsidiary properties have been of a calibre which has won increasing attention for the company.

The Porcupine property has been operated for many years but appears to have a good life expectancy. This is evidenced by the facility with which development replaces ore mined out. The mine treats about 700,000 tons a year and reported ore reserves a year ago of 2,472,000 tons and it was expected that reserves at the beginning of 1959 would be on a par with this figure.

Campbell Red Lake is an outstanding mine and Sigma is also impressive property. The chances of making additional ore at the main and subsidiary properties is considered good and this, along with the proportions of production, makes the company an attractive vehicle for speculation, especially as sentiment to gold warms up.

A factor which explains the increased attention the Canadian golds are winning is the lessened discount of U.S. funds, in terms of which production is sold. With gold at $35 an ounce a 5% discount on funds meant $1.75 an ounce of production. The 5% discount prevailed when the inflow of U.S. investment capital into Canada was at its peak.

Iron Ore Outlook

As a holder of Canadian iron stocks, I am wondering if there is any chance of the United States tightening up on iron imports as it did when it clamped quotas on lead and zinc imports. Any words of cheer?—G.M., London.

The growth of Canada's iron-ore production from one million tons in 1945 to 20 million-plus tons in 1957 is almost exclusively the result of the interest and requirements of the steel industry of the United States.

Canada's iron properties have been known for many years but lay idle until it became apparent that new sources of iron ore which could be economically mined and transported from secure and friendly areas were needed to maintain a steady output of steel from the blast furnaces of the U.S. especially those around the Great Lakes.

Recent studies and forecasts by authoritative sources in Canada indicate that continuing rapid growth is expected in production and exports of iron ore. Shipments of 46 to 80 million tons are forecast for 1965, with a further rise to possibly 96 million tons by 1980.

It is the belief of the Canadian Metal Mining Association, which recently presented a brief on "The Iron Ore Industry in Canada Vis-a-vis the United States" to the tariff commission in Washington, that the U.S. will continue to be the largest single market for Canadian ore.

Steel firms in the U.S. have invested vast

sums to enable Canadian iron-ore deposits to be developed and put into production. They continue to do so. Among their grounds for confidence in placing such large and long-term investments are their faith in Canada's political stability, the favorable tax laws and the realization that uninterrupted communication between the sources of their raw materials and their steel plants is assured in peace or war.

The American economy is a steel economy. Its maintenance and growth, as well as its security, demand ready and safe access to large quantities of iron ore. It is to the common interest of both Canada and the U.S. that no artificial barriers can be raised to divert or impede the flow of materials which the country to the south of us needs and which we are ideally situated to supply.

Sylvanite

How much longer will the Sylvanite mine last?—B.A., Winnipeg.

Sylvanite has in recent years failed to develop as much ore at its Kirkland Lake property as it has been milling. Management recently estimated that probable ore developments indicate the operation's continuance for a minimum of two additional years. The time factor could, of course, be prolonged as a result of new ore findings and the situation could be completely changed by an upward revision in the price of gold.

The company controls Delnite Mines, a gold producer, and has substantial interests in oil and gas reserves.

In Brief

Is Mindus active in mining now?—V.N., Montreal.

Mindus Corporation was absorbed by Mindustrial Corporation, which went in for industrial holdings and sold or wrote off the mining interests.

What is the status of Good Luck Exploration?—N.R., Halifax.

Existing but hibernating when last heard from.

Anything new at Sunloch Mines? Is it still controlled by Smelters?—P.D., North Bay.

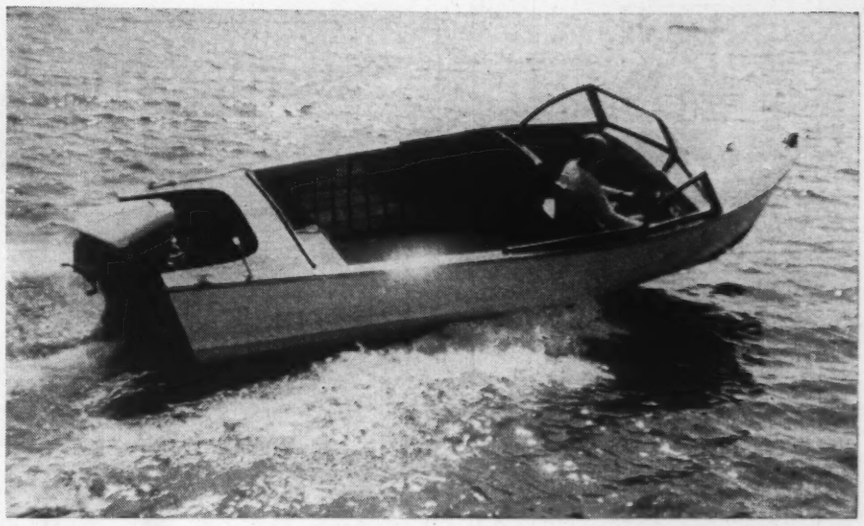
(1) The Sunloch property went to Sunro Mines for a share interest. (2) Yes.

Where is Beaver Dam Mining Limited now?—B.J., Montreal.

Unlike the animal for which it is named, it is idle.

Have shares of Hedley Mascot Gold Mines any value?—J.H., Owen Sound.

Exchangeable for Giant Mascot on basis of 55 shares GM for 100 Hedley.



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NOTICE is hereby given that a dividend of fifty cents (50c) per share on the Series "A" 4% Cumulative Redeemable Preferred Shares and a dividend of fifty-six and one quarter cents (56¼c) on the Series "B" 4½% Cumulative Redeemable Preferred Shares of the Company have been declared for the quarter ending March 31, 1959, payable April 2, 1959, to shareholders of record March 2, 1959.

By Order of the Board.

R. R. MERIFIELD,
Secretary.

Montreal, February 2, 1959.

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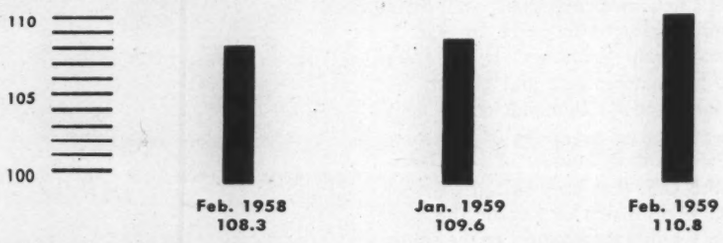
Saturday Night Business Index for February



(Saturday Night's Business Index is a compilation of statistical factors bearing, generally, on Canada's gross national product. It is designed to reflect pace of economic activity. The base 100 is drawn from 1955 data.)

Indicator Table	Unit	Latest Month	Previous Month	Year Ago
Index of industrial Production ▶ (Seasonally Adjusted)	1935-39 =100	280.7	277.2	276.3
Retail Trade ▶ (Seasonally Adjusted)	$ millions	1,315	1,262	1,256
Total Labour Income (Seasonally Adjusted) ▶	$ millions	1,366	1,353	1,326
Consumer Price Index ▶	1949=100	126.1	126.2	123.4
Wholesale Price Index ▶ Of Industrial Materials	1935-39 =100	234.6	233.9	231.8
Inventory, Manufacturing Industry (Held & Owned) ▶	$ millions	4,591	4,566	4,808
New Orders Manufacturing Industry ▶	$ millions	1,829	1,805	1,650
Cheques Cashed, 52 Centers ▶	$ millions	19,248	22,441	18,219
Imports for Consumption ▶	$ millions	427.8	457.2	392.6
Export ▶	$ millions	449.8	408.7	453.2
Contract Awards (MacLean Building Reports) ▶	$ millions	178.6	271.1	190.3
Work Week in Manufacturing ▶	hrs. week	40.9	40.8	40.6

Latest month figures are mainly preliminary ones

Total labour income figures above are reworked and are not comparable with total labour income figures printed in previous months.

by Maurice Hecht

THE ECONOMY STEADILY gains in strength despite evidences of inflation. The improvement seems to be increasing earlier than expected, though we can't be sure yet. But as our economic outlook continues to brighten, along comes the threat of inflation. But don't bet on any runaway inflation; it doesn't have to happen.

The business index moved up more this month than it has in many a previous one. Several causes are behind this.

One of the bad spots for a long time has been industrial building. New contracts for factory building or expansion slowed down tremendously. Last October there was the glimmer of change. Change continued in November and December and right through January. The outlook is far from the best now, but it's the first real sign of improvement in two years.

Profits were bounding up again even in the third quarter of 1958. The after-tax profits of Canadian corporations were slightly larger then than those of the third quarter of 1957. The swing around from poor profits had already started in the second quarter; it is probable that fourth quarter profits in 1958 were the best yet.

All of this doesn't add up to full employment again. It will be some time before we have that. However, look at the seasonally adjusted figures for the end of 1958. The percentage of those without jobs and seeking work to the total labour force was 6.6 per cent in September, 7.9 per cent in October, 7.0 per cent in November and 6.7 per cent in December. February or March will be the worst month, but figures are not available. However, the rate of increase of unemployment is showing a different pattern to that of late 1957.

Insurance

by William Sclater

Bonds for Contractors

Surety bonds are said to be acceptable now on Dominion Government jobs. They didn't use to be. What is the fact of the matter and what advantage would they be to a Contractor?—D.P., Winnipeg.

By announcement from Ottawa under date of January 16th, 1959, the Treasury Board have decreed, following prior cabinet approval, that commencing Jan. 1st, 1959, contractors should be given the option of submitting either surety bonds or security deposits to ensure due performance of work on government contracts. A list of Canadian companies whose guarantee bonds are acceptable to the Government of Canada is approved, as are the three types of surety bonds regarded as the standard, acceptable bonds for government contracts, namely a Bid Bond, a Performance Bond and a Labor and Material Payment Bond.

At the time of tendering a Contractor may now submit a Bid Bond of 10% of the Contract price. On the award of the Contract he can now put up a Performance Bond in the amount of 50% of the tender price. This Bond must be accompanied by a Labor and Material Payment Bond in the amount of 50% of the tender price. In effect this takes the place of a combined performance and payment bond in the amount of 100%.

In the matter of the Bid Bond, if a contract is awarded within 60 days of the closing date of the tender call to the contractor providing a Bid Bond, the bonding company will be liable if the contractor refuses or is financially unable to enter into the contract. The Performance Bond guarantees that the work will be satisfactorily completed within the terms of the Contract up to the face value of the Bond.

The real purpose of the Labor and Material Payment Bond being separate is to allow persons who have direct contracts with the Prime Contractor for labor, material or services to claim against the Bonding Company so that the Crown is not involved in any suits or actions. Holdbacks, which will still be retained even with Surety Bonds in use, are believed adequate to take care of any claims against sub-contractors.

The authorization of Surety Bonds for federal government contracts is a step advocated in this column for several years and one taken by Ontario with very satisfactory results over a period of years. The advantage of Surety Bonds to contractors are plain. They take the place of a certified cheque. They avoid tying up collateral and are as vital as bank credit. They give a Contractor the real and tangible advantage of being able to bid up to full strength by knowing exactly how much he can be bonded for. And when a Surety bond is issued it should be remembered that experience, as well as financial status, is a measurement for qualification and one for which there is no substitute.

Retirement Plan

I am a woman school teacher with a family of myself and my five-year old son. I have $4,000 insurance on my life and $2,000 on my boy's life. I also have Accident & Sickness Indemnity insurance and Specific Loss and Accident Indemnity. Beyond that I carry Blue Cross, Auto and Fire Insurance. As I am paying up substantial superannuation I have not increased my insurance with my salary increase but I would appreciate some advice about what best to do for my old age provision, whether to buy bonds, more insurance, trust company plan and possibly a house. I receive less than $6,000 a year. —M.G.W., Brampton.

You seem to be showing good judgment as it is and doing very well with your responsibilities. I presume, as a teacher, you will have some form of pension if you stay in the profession. I believe there is also some form of life insurance policy available to teachers.

I would think an important consideration would be your boy's education and his support to manhood in the event of catastrophe. That might be accomplished through the judicious use of term insurance or, alternatively, through a special policy. It is a point worth discussing with a life underwriter. You will not lose money buying good bonds and these days even the best government-guaranteed bonds are producing better than 5%. A Trust Company or Bank Retirement plan is also a good investment. These things are sound.

Real estate values rise and fall but, in the long run, they have shown substantial increases. The man who was said to have paid far too much for a $6,000 house in

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the post-war inflationary period in the twenties may have seen his value shrink to an offered $2,500 in the thirties but rise again to the $20,000 neighbourhood now.

I would suggest you consider what is offering in the annuity field however. While many people plan to buy an annuity with their profits from this and that when they reach retirement age, the people who have the annuity that pays a steady monthly cheque are usually the people who started one many years earlier and paid into it each month. A regular annuity cheque is hard to beat. See what the life insurance companies and also the Dominion Government annuity branch have that would be of interest to you.

That Small Print

Would you please explain what an accident and sickness insurance company means by the printed form they send saying my hospital policy is now revised in the light of the new government hospital plan and in lieu of the former daily hospital benefit I will now receive 115% of this applied against such other services as: semi-private or private hospital room accommodation; physician's or surgical service; registered or practical nursing service; anaesthetist's fees or similar services.—M.M., Toronto.

It does look as though there should be a society for the clarification of gobbledygook at times but we should really attribute the responsibility to our laws. The legal beagles are always baying at the heels of the underwriters hoping to catch them out in some simple little mis-statement that may cost the insurance company a hundred thousand or two, and sometimes does. The result is that the underwriter takes refuge in exact legal phraseology that may be perfectly clear in a court of law but simple gobbledy-gook to the policy-holder.

What this estimable underwriter is informing you is that since the provision of hospital accommodation is now the prerogative of the government your former hospital policy benefit, under this particular policy which costs you $16.50 per annum, has been readjusted so that it will pay a maximum of $5.75 per diem against any of the listed services, as you please to apply it. Actually a ten day stay in hospital would qualify you for $57.50 in cash to apply to these or similar services, which is a very good thing to have.

Strike Protection

Is it possible to purchase strike insurance in Canada?—M.D., Montreal.

I do not think so. Experience would be too disastrous to write such a coverage at rates any employer could afford to pay.

Sunshine

CONTINUED FROM PAGE 21

lounge chairs swathed in buffalo or bearskin robes are standard equipment at all the resorts. More active spring skiers ski in shirtsleeves or less in the middle of the day, and make cross-country hikes via the woodland trails. The combination of warm sun and thin, dry mountain air produces a bronze tan that rivals any result of a Caribbean holiday.

The greatest concentration of Quebec Province ski facilities is in the Laurentian Mountains just north of Montreal, and the spring exodus to the ski hills is likely to be greater than ever this year with the completion of parts of the new Laurentian Autoroute. Ten miles of Autoroute at the Montreal end leapfrog suburban traffic bottlenecks to Ste. Rose, and a second section of five miles bypasses the foothills town of St. Jerome.

Favored by the younger generation of skiers, including the intercollegiate set, are the Laurentian communities of Piedmont, St. Sauveur des Monts, Morin Heights, Montfort and Mont Gabriel, all of them roughly 40 miles from the city via Route 11, the main street of the mountains. Highway buses serve all the communities, and the Canadian National and Canadian Pacific Railways serve the area as well.

Hills 69 and 70 at St. Sauveur have long been famous in Canadian and intercollegiate championship ski competitions, and so has Mont Gabriel. T-bar lifts and rope tows bring the benefits of modern mechanization to these hills, with resultant increases in the volume of skiers. For skiers with a yen for exploring new trails and trying other hills, the ski trails and slopes around Morin Heights, Montford, Christieville on the western side of the area are far more informal.

For those to whom the convivial element is as important as the actual ski sport factor, St. Sauveur will be ideal, for the entire town is taken over for the winter by the ski vacationers, and there is dancing, singing and much laughter there throughout the winter evenings.

Ste. Adèle-en-bas and its twin up the hill, Ste. Adèle-en-haut, also constitute a lively winter sports community, complete with large and luxurious ski resorts with their own ski layouts as well as municipal facilities and a brand new hill, Mount Tore, operated by private interests. Ste. Adèle is about 45 miles from the city, and five miles off to the east by macadam road is the village of Ste. Marguerite Station with its large winter vacation resorts and excellent ski facilities, including the challenging trails and hills of Mount Baldy. Further north along Route 11 and 55 miles from Montreal, are the villages of Val David and Val Morin, deep down on the floor of a valley and overlooked by their respective colonies of ski resort lodges.

Ste. Agathe des Monts, 60 miles from town, has a half-dozen large resorts as well as a municipal hill and several privately-operated hill-and-T-bar combinations. Beyond Ste. Agathe, St. Donat de Montcalm resorts offer thrilling hills and T-bar and chair lifts about 20 miles off Route 11 to the east. North again, St. Jovite, 85 miles from Montreal, is one of the pioneer ski settlements of the Laurentian area. Just five miles from St. Jovite looms Mont Tremblant, the highest of the Laurentians at 3,000 feet above sea level. Tremblant, the site of championship meets, has the most elaborate ski set-up of all, with chair lifts serving both the north and south slopes, and a network of smaller facilities on the mountain-top trails.

Also of the Laurentians, but just north of Quebec City by 10 miles of suburban streets and drives, Lac Beauport snow-bowl has achieved international status as a ski centre. T-bar lifts handle the flow of traffic on these famous ski hills.

East of Montreal a hundred miles and only 35 miles from the Vermont border, the main ski areas of Quebec's Eastern Townships region are at North Hatley, overlooking Lake Massawippi and some 18 miles from Sherbrooke; and the Mont Orford-Mont Giroux development in Mont Orford Park, three miles from the textiles town of Magog at the northern end of Lake Memphremagog. North Hatley draws many U.S. ski vacationers to its excellent resorts and exciting ski hills and trails.

Uranium

CONTINUED FROM PAGE 15

sell more uranium abroad. This is dilly-dally. If Canada is to have a chance in the sales race when purchases for power production become important she must get in on the ground floor now. The model treaty should be chucked out forthwith.

The second point of policy which in the long term may do Canada great harm is the curious attempt to prescribe what kind of uranium fuel is good for the rest of the world. Broadly speaking, the thesis is this: it would suit Canada if natural uranium were burned as a fuel, and Canada's scientists believe that the heavy-water type of reactor they are developing, which will use natural uranium, is the best as to cost. But most of the research in the United States is towards using enriched uranium, that is, uranium which has been treated in a diffusion plant which uses enormous quantities of electricity. This virtually is power from two sources combined and bottled in a small packet of uranium fuel — the power from the original uranium, and the concentration of enormous quantities of electrical power from some cheap source. In the U.S. this is Kentucky coal. In Canada, if Canada produced enriched uranium, it could well be some of our still undeveloped hydro power.

Euratom—the major area of early purchases of substantial quantities of uranium outside the U.S. and U.K.—has signed up with the U.S. for a supply of enriched uranium over 25 years for some of its reactors. The word is that the United Kingdom, which has relied on natural uranium for its earlier reactors, is swinging towards enriched uranium. And enriched uranium is necessary for the small type of reactor which powers ships and might be useful in remote areas of the world.

It is, of course, a matter of scientific debate whether reactors using enriched uranium will be the reactors of the future. But if they are, and if Canada pursues its present course, the nations of the world outside the Soviet bloc will depend on the United States for their fuel supply. The United States may use its own uranium from one of the supplying nations, possibly Canada. But the effect will be to make the United States the monopoly supplier of an end product which is produced from a raw material of which there is plenty in the world. Thus the United States will dictate both buying and selling prices.

A not insignificant move is the offer by the United States on Feb. 3 to sell fuel for reactors on a pay-later basis. Payment is only to *begin* after ten years, and to be completed over twenty. Condition attached is that United States designs and components must be used for reactors. This is a threat to Canada as a fuel supplier, and to the U.K. as a manufacturer of reactors and components.

Nothing would please the potential consuming nations more than to know that Canada was prepared to offer enriched uranium, and that they would not be dependent on the United States. Nothing would be more calculated to make the Americans sit up, and be more reasonable in their dealings with Canadian uranium suppliers than the initiation of discussions to this end.

Is it economically feasible to gamble the costs of a diffusion plant on the prospects of sales of enriched uranium? It is certainly not commercially so, but it is politically so highly desirable from the points of view of so many nations, that if Canada were to approach the United Kingdom and propose a joint operation, they might well get an immediate and favorable response.

I asked one expert—who had been at the Atoms-for-Peace Conference at Geneva—whether there are any data on the cost of a diffusion plant and the kind of power it would need. He replied that on the basis of what the French disclosed about their plant at Marcoule, it might cost about

$500 million and would need 1,000,000 h.p. of three-mill power. What this expert did not know was that the quoted rate for the first million horsepower at Hamilton Falls is exactly three mills. Thus Canada has the power, and the uranium. For political and economic reasons the United Kingdom might well be prepared to put up the money and save on their present operation which has to use the high-cost power available in the British Isles. Just as the U.S. bottles power from its uranium and its cheap Kentucky coal, Canada could bottle power from its uranium and the Hamilton Falls power now awaiting a user. If France can build a diffusion plant, surely it is not beyond the powers and imaginative risk-taking of Canada and the United Kingdom together.

Supreme Court

CONTINUED FROM PAGE 11

of U.S. law when it took place abroad. Mr. Justice Holmes said: "Giving to this complaint every reasonable attitude of interpretation we are of the opinion that it alleges no case under the Act of Congress. . . . A conspiracy in this country to do acts in another jurisdiction does not draw to itself those acts and make them unlawful if they are permitted by the local law." This particular statement would seem to have closed the door on controlling business behavior that was primarily extra-territorial.

In 1926, however, in *The United States vs. Sisal Sales Corporation* the Supreme Court made it clear that agreements entered into in the U.S. which led to the control or prohibition of certain imports into the United States from abroad were illegal. Since that time there have been a number of cases of which the two most important were judgments in 1950 of a Federal District court in the Minnesota Mining and Manufacturing case and of the Supreme Court in the Timken Roller Bearing case. Both judgments make it clear that agreements in the United States or agreements between American nationals and others *abroad* to establish market allocation or price control *abroad* can be illegal if such agreements lead to some diminution of competition in the United States itself by way of restrictions upon imports or inability of competitors to export.

When this most recent line of American judicial reasoning is applied to the case of U.S. subsidiaries in Canada engaged in patent pool arrangements which may limit the import of U.S. manufactured radio and television sets into Canada, it is not unlikely that such activities may be found to be illegal under United States law. Yet such patent pooling, for the time being at least, is lawful under Canadian law—although there are conditions under which the practice could become illegal. The important question for Canada therefore is the extent to which a Canadian legal person, namely a Canadian incorporated company, though owned or controlled in the United States, can be compelled to behave in a manner prescribed by the law of the United States where no such comparable requirement exists in Canadian law. This of course brings us at once face to face with those international law rules that control the effects of any one nation's law upon persons or property situated in other states.

Broadly speaking a nation's law stops at its own frontier and this is particularly true with respect to its criminal law. There are certain exceptions to this of course, notably acts of treason, of piracy or certain criminal acts carried out abroad where the persons went abroad specifically to commit those acts. A good example of this is bigamy which is illegal under the Canadian criminal law even though it is committed abroad where the intention to commit it explains the reason why the act took place abroad. But such extra-territorial effects of domestic criminal law are clearly the exception. The relations of states to each other would be bedevilled beyond unravelling if the criminal law of one state could operate within the borders of another even with respect to the citizens of the first state.

How then shall we apply the rule that jurisdiction and law are essentially territorial to this present attempt of the United States to apply its evolving anti-trust policies to the behaviour of U.S. subsidiaries in Canada? Clearly there is a conflict here between the ordinary operation of the rules of international law and the requirements of American domestic law. Under the former Canadian "persons", human beings or companies, are not subject to U.S. law unless they have committed some illegal act there and then rules of extradition, by virtue of a treaty, come into play. Under the latter, United States law prohibits certain forms of behavior and United States nationals are bound by such law and in some instances are bound by it even though the acts are performed abroad. In the face of this dilemma how then shall Canada and the United States resolve their conflicting positions? I submit the following as a possible approach.

(i) The United States cannot expect Canadian persons, whether human beings or companies, to be subject to the extra-territorial operation of U.S. law with respect to acts done wholly in Canada even if those acts have remote or indirect effects on United States trade or competitive activity.

(ii) This position is completely consistent with the theory of the territorial supremacy of each state and the exclusiveness of its jurisdiction over persons and property within it and particularly over its own nationals and legal creatures.

(iii) Since the present problem is not the first of its kind in Canadian-United States relations or in the relations of the U.S. with other countries, it clearly requires either a change of United States anti-trust policy or bilateral agreements with countries that have been affected or are likely to be affected by the operation of U.S. anti-trust law.

(iv) Such a treaty between Canada and the United States would provide that companies incorporated in Canada engaged in business practices lawful by the laws of Canada shall not be subject to charges of violation of the U.S. anti-trust laws if the essential nature of their Canadian activities are in conformity with Canadian law and not *designed* to affect indirectly competition or competitive activity in the United States.

It will take a good deal of common sense and self-restraint to even make such a treaty workable because many unforeseen elements are bound to emerge as new situations arise. But some kind of agreement seems to be necessary in view of the close relationship between the United States subsidiaries and their parent company policies on the one hand and the need to have respect for Canadian law and jurisdiction on the other.

Professors

CONTINUED FROM PAGE 19

appear to be either ignorant of, unconcerned with, or opposed to the work of the institutions they govern. But the important point is that the short-term concern for "business-like" efficiency greatly reduces the long-run effectiveness of the universities.

There is a further aspect of the matter which, while it arose partly for historical reasons which need not be stated here, seems also in part to reflect the view of a university as a corporation. Perhaps it was inevitable that with the general control of its affairs in the hands of a group much like a Board of Directors, the internal organization of the university should in many ways tend to resemble that of the corporation, with the president in the place of general manager.

At all Canadian universities but one, the President is appointed by the governing board, which need not—and usually does not—consult the faculty at all. It is not surprising that in such circumstances the President is likely to feel his responsibility to be to the board rather than to the university. Further, the usual practice is to maintain an administrative hierarchy of deans, directors of schools, etc., who are appointed for unlimited terms by the board, which may or may not consult senior faculty members in the appointments.

Now, it is quite true that within such a framework there *may* be a great deal of

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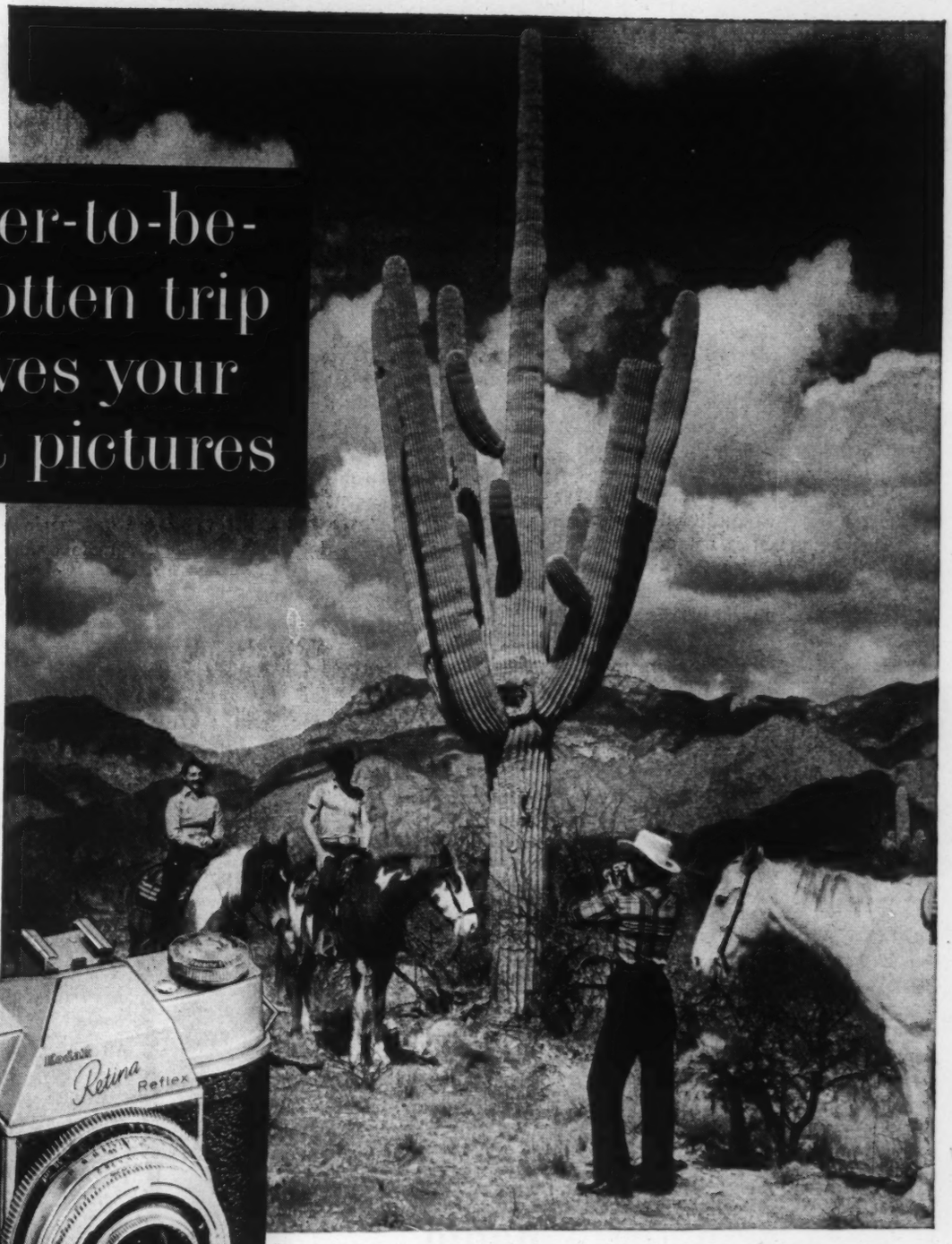

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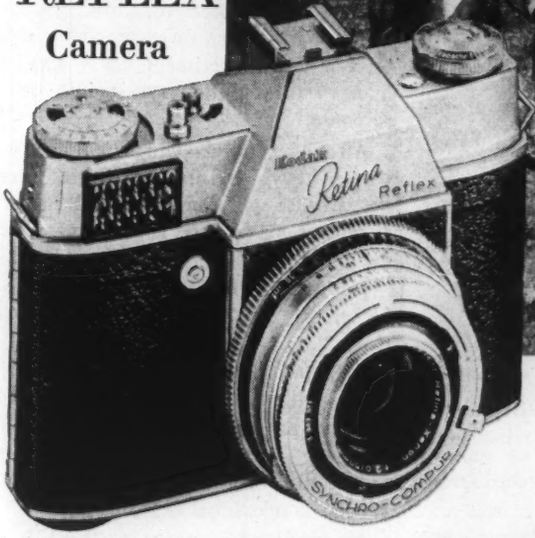

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freedom of thought and teaching. There often is. What is wrong is that there is no guarantee of it, and it can be seriously threatened. When the Canadian Association of University Teachers was in its formative period, teachers at more than one institution were told that if they joined this organization they would be dismissed from their posts. At one of the larger universities the administration has had (and for all I know still has) a practice of keeping some faculty members on temporary (i.e. "probationary") appointments for as long as ten years, uncertain in June whether they would still have jobs in July. Academic freedom cannot exist under such conditions. It is not surprising that many a Canadian professor simply refuses to discuss two of the subjects which most need intelligent discussion: politics and religion. We are fond of thinking of our universities as bastions of democracy. But a university that is not much more democratically organized than a department store can hardly be expected to provide any great stimulus in the direction of freedom.

What then is the practical alternative to the present organization? Universities are constituted in accordance with charters approved by provincial legislatures; but it is not impossible to change these. And for the sake of argument, I am going to indicate two sweeping changes that in my opinion are both necessary and possible.

The first is to place the power and responsibility of university government in the hands of the people who know and understand these institutions best: the faculty. Let them elect their presidents, deans, heads of departments, and so on, for fixed terms (which should not, in my opinion, exceed five years); let them appoint, promote, and where they deem it necessary discipline faculty members; and make them responsible for the university's budget—which they can present to the appropriate agency (usually a provincial government).

There is no doubt in my mind that such a step would strengthen the universities of Canada as nothing else would, for it would increase both freedom and responsibility. Canada is prepared to ask for the advice of professors on the building of railways and dams; on the formulation of national economic policies, on the state of the arts; on our electoral system; on our constitution; in short, on innumerable matters of the gravest national concern. Yet apparently Canada is not prepared to concede that these same people are capable of understanding and operating responsibly the institutions to which their lives are devoted!

There is of course nothing actually new in this proposal. Many of the world's most illustrious universities have been self-governing for very long periods. One thinks at once of Oxford and Cambridge. Even in the United States, where the idea of the corporation is at least as strongly entrenched as here, some of the greatest universities place control over such matters as appointments, promotions and budget in the hands of the faculty. In the University of California, for example, all these matters—including the preparation of a budget that now exceeds a hundred million dollars—are entrusted to the faculty.

It is quite true, of course, that self-governing universities can deteriorate sadly—as has happened at Oxford and Cambridge in some periods of their history. Yet it does seem to me that in our concern for the short-run efficiency we have lost sight of the long-run function; and this point brings me to my second proposal.

Because the community *has* a most urgent interest in the long-run functioning of the university, there ought to be a periodic study of the community's needs in higher education and of the university's role in relation to them. Because such studies require perspective, they should not be made more frequently than every five years. And because education is everybody's concern, they should be made by non-academic bodies representing all strata of the community.

I do not suggest for a moment that adoption of these proposals would solve all the problems. University teachers, like their fellow human beings, will sometimes do stupid things and sometimes do wicked ones. But as a group they are not less intelligent or conscientious than other people. And they *are* in a position to understand their institutions. If the appointments of Professor Crowe and of Principal Lockhart had been on the shoulders of the faculty of United College, the much-publicized incident might still have happened; but it could almost certainly have been dealt with without faculty members having to threaten the life of the college itself by wholesale resignations.

Radio

CONTINUED FROM PAGE 17

whole show is smoothed out by musical interludes and a carefully researched script.

Mr. Boyle's most impressive new program however has been "Project '59." Since the fall, "Project '59" has visited Canada's troops in the Middle East, taken a searching look at West Germany, interviewed Field Marshal Sir Bernard Montgomery and asked Canadians what they do with their leisure time.

The best show so far was probably an hour-long reconstruction of the battle of Ortona. The worst was—according to the critics—an interview with Ed Murrow. The most controversial was a program on Cuba. Protests from the Cuban government resulted in a repeat broadcast of the show being cancelled. But short weeks later Fidel Castro staged his revolution and Harry Boyle leaned back in his chair and smiled.

He had interviewed Castro, not Batista.

In drama, Mr. Hallman has tried to keep up the high standards achieved by the CBC Stage series. Fletcher Markle was brought back to write "He and She" the first Stage broadcast last fall. Andrew Allan returned to his old job as director.

CBC has a hard-won reputation for the best radio drama. With adaptations like "So Love Returns" taken from a recent Saturday Evening Post serial, CBC's Esse Ljungh hopes to maintain these standards.

With a touch of martial music and a roar of guns, radio can create a battlefield. Television requires expensive scenery. So the radio writer has more scope and the challenge of giving the listener a chance to use his imagination. Since CBC pay rates for radio drama are not far below television's scale, CBC hopes the challenge of radio will continue to attract good quality drama.

The beauty of radio can be seen in the work of Max Ferguson, "Rawhide." His many-splendored characters live on radio; but on TV there is only Max. Such is the beauty of radio drama.

What of the future?

CBC technical standards have always been good. Mr. Hallman seems determined they will be better. Engineers have been ordered to make a determined effort to improve sound quality.

Two Toronto stations, CJBC and CBL, are experimenting with stereophonic sound. "It's only an experiment," said Mr. Hallman, "but we'll be interested in listener response."

An FM network, which will link Toronto, Ottawa and Montreal with French and English programs, is being prepared. If money is available, it may go into service this spring.

But Mr. Hallman has set his sights even higher. In the U.S., the large networks depend on advertising revenue. With TV cutting radio audiences, the networks are losing millions of dollars a year on radio.

Some program's like the recent "The Business of Sex" do pull audiences to radio. But in the main radio is losing ground to television.

Mr. Hallman's answer to the U.S. networks is the question: "Why not buy from us?" CBC standards are high and CBC programs would help pull U.S. residents to their radios. Such a set-up would reduce production costs in the U.S. and would help put non-sponsored CBC programs on a paying basis.

It sounds like a fantastic proposal; but it could be a dramatic future for CBC radio.

"Radio is here to stay," said Harry Boyle. CBC seems determined to prove he is right.

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Point of View

OTTAWA:

TO DATE THE OUTPUT of new Tory ideas in Ottawa has been distressingly meagre. Nowhere is the shortage more evident than in the 1959-60 Estimates. Except for a $300 million increase in the total amount to be spent (largely due to increased debt and welfare costs) Finance Minister Fleming's estimates of government spending in the year ahead varied in scarcely any detail from those introduced year after year by his free-spending Liberal predecessors. Despite all the Tories' bold election campaign talk about economy and change, the Liberal-built bureaucracy remains virtually undisturbed, complete with all its sinkholes for the taxpayers' money. Indeed, Tory Fleming almost seemed to be under the mistaken impression that he was duty-bound to perpetuate all the waste that had caused the voters to turn the Liberals out. At one point in the debate, when his handling of the estimates was under attack, Fleming offered this incredible defence: "The practice that was followed today is the practice that was followed by my Liberal predecessors."

If he and his colleagues did not stand in such awe of their Liberal predecessors, Finance Minister Fleming might have noted many places where Liberal practices of the past two decades could have been sharply changed and great savings effected in the cost of government. Here are some sample soft spots:

The Department of External Affairs: This was one of the great monuments of the empire-building Liberal bureaucrats. Even before this country felt it could afford a residence for its own prime minister (he lived in a tiny apartment) this branch of the Liberal Government began setting up lavish embassies in Latin American republics and in Far Eastern capitals, staffing them with newly-created diplomats at salaries of $10,000-a-year plus an expense allowance of that much again for entertainment. (These foreign establishments were in addition to the Trade and Commerce bureaus set up and still maintained around the world for the useful purpose of drumming up trade.)

Finance Minister Fleming might have asked himself whether all of these expensive establishments are really necessary and whether, for example, we need to spend more than $100,000 next year to keep Canadian diplomats in the court of Spain's Dictator Franco.

Of course, our vociferous domestic international set, with all its heady double-talk about Canada's key role in world affairs, would try to persuade him that every penny of our external affairs budget was absolutely vital. But if he made a mature appraisal of this costly luxury with which Canada's taxpayers have been saddled, he would surely see his way clear to lop off a major part of the $58,000,000 overhead.

The Canadian Broadcasting Corporation: Here is the prize piece in the Liberal museum, so prized in fact that the once-critical Tories have been rising in Parliament lately to sound its praises.

In 1952, at a cost of millions, the Liberal regime launched the government into TV production. There were eager investors in every Canadian city and town of any size, all willing to put up funds for locally-owned stations. But after several years of delay and pondering, the Liberals ruled that the best outlets should be reserved for a public-owned TV system. The proclaimed purpose of the project was to shield Canadian homes from the horrors of U.S.-style TV and to develop Canadian talent.

External Affairs Smith: Costly luxury?

CBC founders held out the hope that the public-owned network would portray Canadian life and public events. Alas, the coverage of lesser events like the opening of Parliament cannot be arranged; the network's documentary staff is far too busy setting up interviews with such eminent and enlightening public figures as Elsa Maxwell, Faye Emerson and Uncle Miltie Berle. And the CBC panel shows, adapted from outworn or discarded U.S. formats, are enlivened (at up to $2,500 a time) by such inspiring guests as the boorish Lady Docker, the tabloids' favorite cover girl, Marie (The Body) McDonald and that well-known freedom fighter, Errol Flynn.

In only one department — its newscasts — is CBC-TV performing its function well. This small portion of the present service could be preserved and maintained at government expense as a public information service. But all the rest of the government's TV operation — particularly the responsibility and expense of the vaudeville phase of it — could now be profitably turned over to privately-owned networks and stations.

The CBC is allotted some $69,000,000 in the 1959-60 estimates. If they followed their true political instincts—the Tories might get the government out of show business, save the country a vast sum of money and, in the process, give Canadians better television service.

The Department of National Defence: In this vast department, $1.6 billion, nearly a third of the budget will be spent next year. There is no question of the need, the point is whether we are getting value for the money spent. From their opposition benches in Parliament, the Tories used to charge that the wasteful Liberals had not adjusted our defence policy to the H-bomb era; they were piling on the expense of jet aircraft, radar screens and all the other costly paraphernalia of modern war while still burdening the defense budget with archaic military establishments and trappings of World Wars I & II.

Financier Fleming has lowered the 1958-59 defence budget by $7,000,000 for the next fiscal year. Did he cut deep enough? Did he revise sharply enough the defence spending policies followed so long by the Liberals? Only expert and thorough study can determine whether the defence department is now up to date. A couple of items in the Estimates are grounds for nagging doubt. One of these is an outlay of nearly $1,000,000 to teach bayonet fighting and precision drill to army cadets. Another is the $93,125 allotment "for the purpose of encouraging and promoting interest in rifle shooting."

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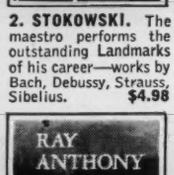

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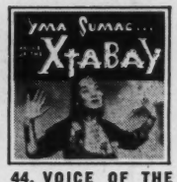

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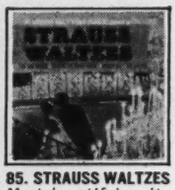

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